

City of Union, Missouri
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2018



CITY OF UNION, MISSOURI



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2018

CITY OF UNION, MISSOURI

***COMPREHENSIVE ANNUAL
FINANCIAL REPORT***

FOR THE FISCAL YEAR ENDED
JUNE 30, 2018

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

December 4, 2018

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, 2018.

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, 2018, are free of material misstatements. The independent audit involved: examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall basic financial statement presentation. The independent auditors concluded, based upon its audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2018, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to compliment the MD&A and should be read in

conjunction with it. The City's MD&A can be found immediately following the independent auditor's report.

Profile of the Government

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

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

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

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

Local Economy

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

Residential growth has been spurred by a low cost of living, proximity to St. Louis County and overall quality of life. In addition to an award-winning school district, Union is also home to East Central College, a community college of approximately 4,000 students. The college also offers continuing education courses and the cultural opportunities (opera, theatre, art shows, athletics, etc.) of a much larger community.

Since its beginning, Union has hosted the seat of Franklin County Government and for many years the 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 10 years with the construction of a Government Center and Judicial Center.

The City continues to experience strong residential, industrial, and commercial growth. During the previous fiscal year there were 184 permits issued for single family dwellings, 3 new commercial projects, 1 new industrial project, and 1 new institutional project. The final roadway in Union Corporate Center was recently completed providing access to 60 additional acres of ground. This year, the City will complete the certified site process for 25 acres in the Union Corporate Center to help promote additional industrial development. While the City pursues new projects, we are also working to foster the continued growth and success of our existing businesses and industries and anticipate several addition and expansion projects in the coming year.

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, 2018, the sales tax increased approximately 3.9%. 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 2017-2018, the City continued to improve its facilities and infrastructure to serve its citizens. This includes the following projects:

The construction of the Veterans Memorial Park began in 2015. This project was completed in Spring of 2018. The park added another playground and installed security cameras.

The Springfield Road project provides shoulders, sidewalks and resurfacing of the roadway. This project was completed in 2018.

The City received a CAP grant to repair the lake and dam at the City Lake. The improvements include jetties, handicap dock, and stocking of lake. This was completed and opened to the public.

The Clark and State Street pedestrian sidewalk project will be completed in 2018.

Repairs to various curb, gutter and sidewalk maintenance around the City.

Long-term Financial Planning

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

2015. This plan will help project costs and estimate revenues for the next five years. It enables the City to prioritize and prepare for its future capital needs more effectively.

The City adopted a Fund Balance policy on May 9, 2011 in accordance with GASB 54. The City's primary objective is to maintain a prudent level of financial resources to protect against reducing service levels, raising taxes and fees due to temporary revenue shortfalls or unexpected expenditures. The policy states the City will maintain a reserve level with a minimum 25% of projected annual operating expenditures in the General Fund. As of June 30, 2018, 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, 2018. 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 auditors, Hochschild, Bloom & Company LLP, for their help in formulating this report. Our sincere gratitude is extended to you for your interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectively submitted,



Russell Rost
City Administrator



Heather Keith
Finance Officer

CITY OF UNION, MISSOURI

INTRODUCTORY

PRINCIPAL OFFICIALS

MAYOR

Mike Livengood

WARD 1

Robert Schmuke
Jim Albrecht

WARD 2

Bill Isgriggs
Robert Marquart

WARD 3

Paul Arand
Dennis Soetebier

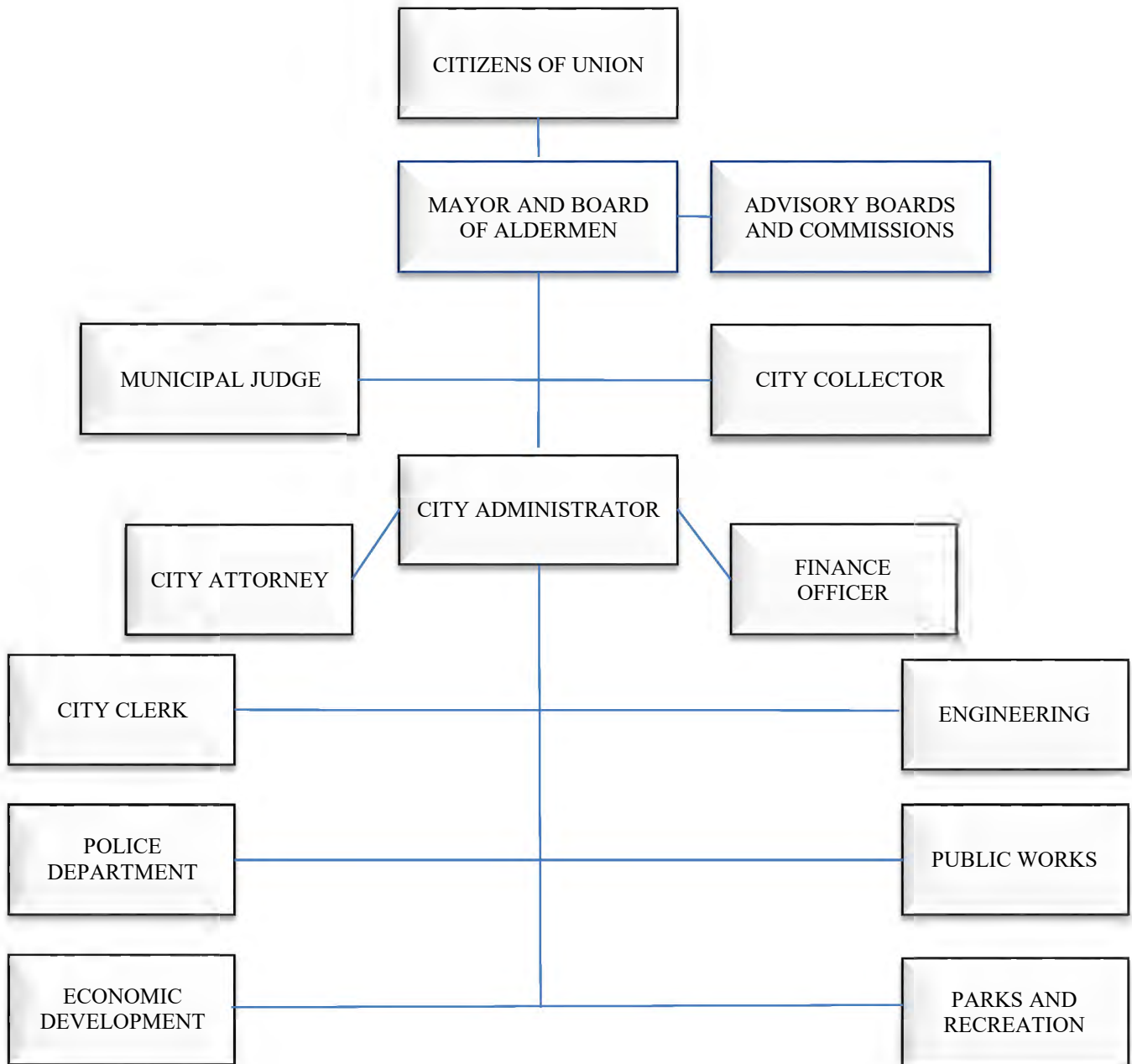
WARD 4

David Pope
Karen Erwin

OTHER CITY OFFICIALS

Russell Rost - City Administrator
Heather Keith - Finance Officer
Jonita Copeland - City Clerk
Jonathan Zimmermann - City Engineer
Norman Brune - Chief of Police
Harold Lampkin - Public Works Director
James Schmieder - Economic Development Director/Assistant City Administrator
Angela Sullivan - 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, 2017

Christopher P. Morrell

Executive Director/CEO

SECTION II
FINANCIAL SECTION



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

INDEPENDENT AUDITOR'S REPORT

December 4, 2018

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **CITY OF UNION, MISSOURI** (the City), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

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

Other Information

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

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

mation directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2018 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.

Nochscheld, Bloom + Company LLP
CERTIFIED PUBLIC ACCOUNTANTS
Washington, Missouri

CITY OF UNION, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2018

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, 2018. 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 and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources for the most recent fiscal year by \$63,961,006. The City has unrestricted net position totaling \$11,926,702.
- General revenues for governmental activities were \$6,637,981 which included \$6,466,364 (97.4%) in sales, property, franchise, and other taxes. Property taxes accounted for \$1,281,140 (19.3%) of general revenues.
- Expenses from the various functions of governmental activities was \$9,375,590. General government was \$2,457,685 (26.2%), public safety was \$1,784,002 (19.0%), street was \$1,917,288 (20.4%), refuse collection and other was \$768,487 (8.2%), culture and recreation was \$1,121,841 (12.0%), planning and development was \$1,075,965 (11.5%), and building maintenance was \$149,756 (1.6%).
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$7,420,348. Of this amount \$220,846 is unassigned, \$2,571,533 is nonspendable, \$857,068 is restricted, \$3,524,000 is committed, and \$246,901 is assigned.
- At the end of the current fiscal year, fund balance for the General Fund was \$8,985,359 or 92.3% of total General Fund expenditures. Of this amount \$246,901 is assigned, \$2,682,925 is unassigned, \$2,531,533 is nonspendable, and \$3,524,000 is committed.
- The City's total debt decreased \$755,369 during the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The statement of net position presents information on all of the City's assets, deferred outflows, liabilities, and deferred inflows, with the difference 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, 2018

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.

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

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

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

The City maintains several individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Park Fund, and Transportation Tax Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation called "other governmental funds". Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the other supplemental information section in this report.

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

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements.

CITY OF UNION, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

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.

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.

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

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

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

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 \$63,961,006 increased in 2018 by approximately 3.7% as compared to the previous year.

The largest portion of the City's net position, \$48,235,025 in 2018 (an increase of approximately 5.2% from 2017) 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, 2018

	June 30					
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
ASSETS						
Current and other assets	\$ 9,797,001	9,765,862	7,327,284	6,710,487	17,124,285	16,476,349
Capital assets, net	33,845,714	31,772,612	22,577,985	23,013,502	56,423,699	54,786,114
Total Assets	43,642,715	41,538,474	29,905,269	29,723,989	73,547,984	71,262,463
DEFERRED OUT- FLOWS OF RESOURCES	587,856	709,271	228,420	259,700	816,276	968,971
LIABILITIES						
Long-term liabilities	2,813,074	3,030,265	4,893,361	5,467,124	7,706,435	8,497,389
Other liabilities	958,719	821,587	850,230	769,355	1,808,949	1,590,942
Total Liabilities	3,771,793	3,851,852	5,743,591	6,236,479	9,515,384	10,088,331
DEFERRED IN- FLOWS OF RESOURCES	832,802	443,364	55,068	21,382	887,870	464,746
NET POSITION						
Net investment in capital assets	30,856,813	28,576,778	17,378,212	17,258,929	48,235,025	45,835,707
Restricted	2,290,798	1,443,921	1,508,481	1,432,581	3,799,279	2,876,502
Unrestricted	6,478,365	7,931,830	5,448,337	5,034,318	11,926,702	12,966,148
Total Net Assets	\$ 39,625,976	37,952,529	24,335,030	23,725,828	63,961,006	61,678,357

An additional portion of the City's net position, \$3,799,279 in 2018, 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. During 2018, the City began accounting for amounts restricted for pension in accordance with new interpretations of pension disclosure requirements.

The remaining category of the City's net position represents an unrestricted net position balance of \$12,027,402 in 2018 which may be used to meet the City's ongoing obligations to citizens and creditors.

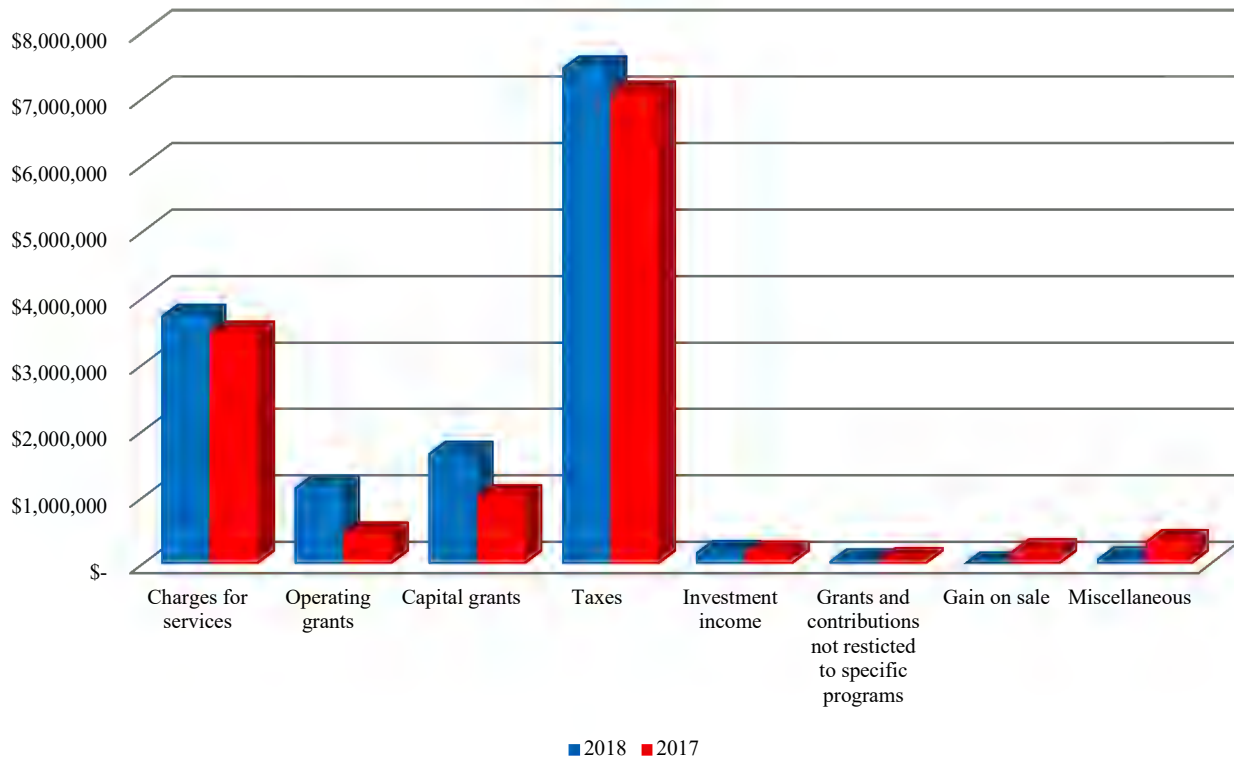
CITY OF UNION, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

A condensed version of the statement of activities follows:

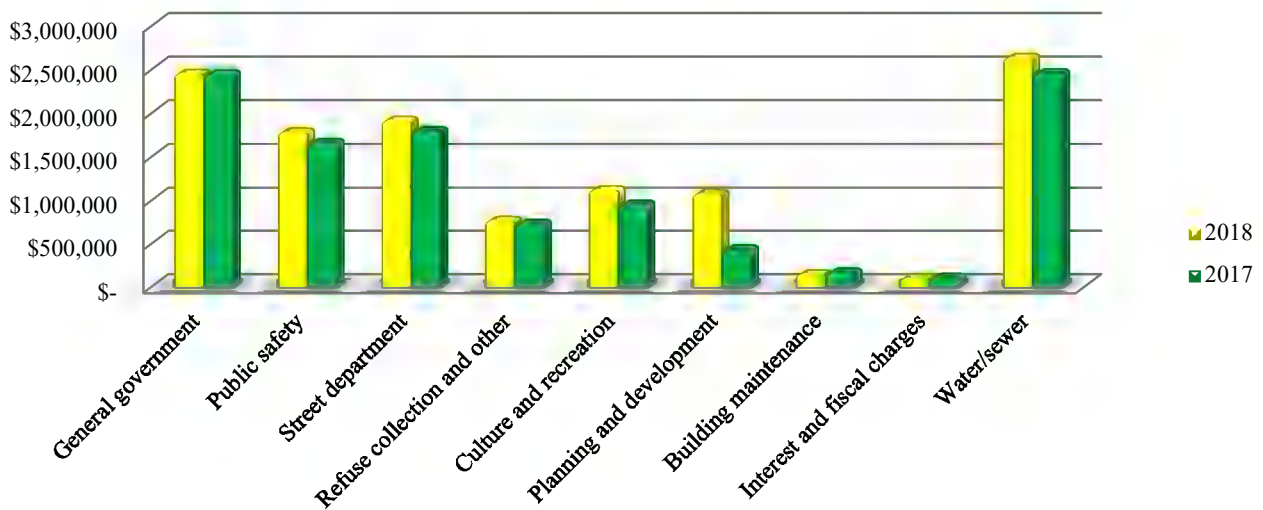
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
REVENUES						
Program revenues:						
Charges for services	\$ 1,599,431	1,432,231	2,129,177	1,926,207	3,728,608	3,358,438
Operating grants and contributions	1,147,550	656,919	-	-	1,147,550	656,919
Capital grants and contributions	1,664,075	1,011,854	-	-	1,664,075	1,011,854
General revenues:						
Taxes	6,466,364	6,125,176	998,241	958,372	7,464,605	7,083,548
Investment income	126,383	124,055	45,071	40,008	171,454	164,063
Grants and contributions not restricted to specific programs	-	347,091	44,528	73,459	44,528	420,550
Gain on sale of capital assets	240	12,503	-	-	240	12,503
Miscellaneous	44,994	18,861	30,419	172,207	75,413	191,068
Total Revenues	<u>11,049,037</u>	<u>9,728,690</u>	<u>3,247,436</u>	<u>3,170,253</u>	<u>14,296,473</u>	<u>12,898,943</u>
EXPENSES						
General government	2,457,685	2,448,423	-	-	2,457,685	2,448,423
Public safety	1,784,002	1,662,628	-	-	1,784,002	1,662,628
Street department	1,917,288	1,796,693	-	-	1,917,288	1,796,693
Refuse collection and other	768,487	731,434	-	-	768,487	731,434
Culture and recreation	1,121,841	954,488	-	-	1,121,841	954,488
Planning and development	1,075,965	556,386	-	-	1,075,965	556,386
Building maintenance	149,756	167,907	-	-	149,756	167,907
Water/sewer	-	-	2,638,234	2,461,730	2,638,234	2,461,730
Interest and fiscal charges	100,566	106,936	-	-	100,566	106,936
Total Expenses	<u>9,375,590</u>	<u>8,424,895</u>	<u>2,638,234</u>	<u>2,461,730</u>	<u>12,013,824</u>	<u>10,886,625</u>
CHANGES IN NET POSITION	1,673,447	1,303,795	609,202	708,523	2,282,649	2,012,318
NET POSITION, JULY 1	<u>37,952,529</u>	<u>36,648,734</u>	<u>23,725,828</u>	<u>23,017,305</u>	<u>61,678,357</u>	<u>59,666,039</u>
NET POSITION, JUNE 30	<u>\$ 39,625,976</u>	<u>37,952,529</u>	<u>24,335,030</u>	<u>23,725,828</u>	<u>63,961,006</u>	<u>61,678,357</u>

CITY OF UNION, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

Revenues by Source Comparison



Expenses by Function Comparison

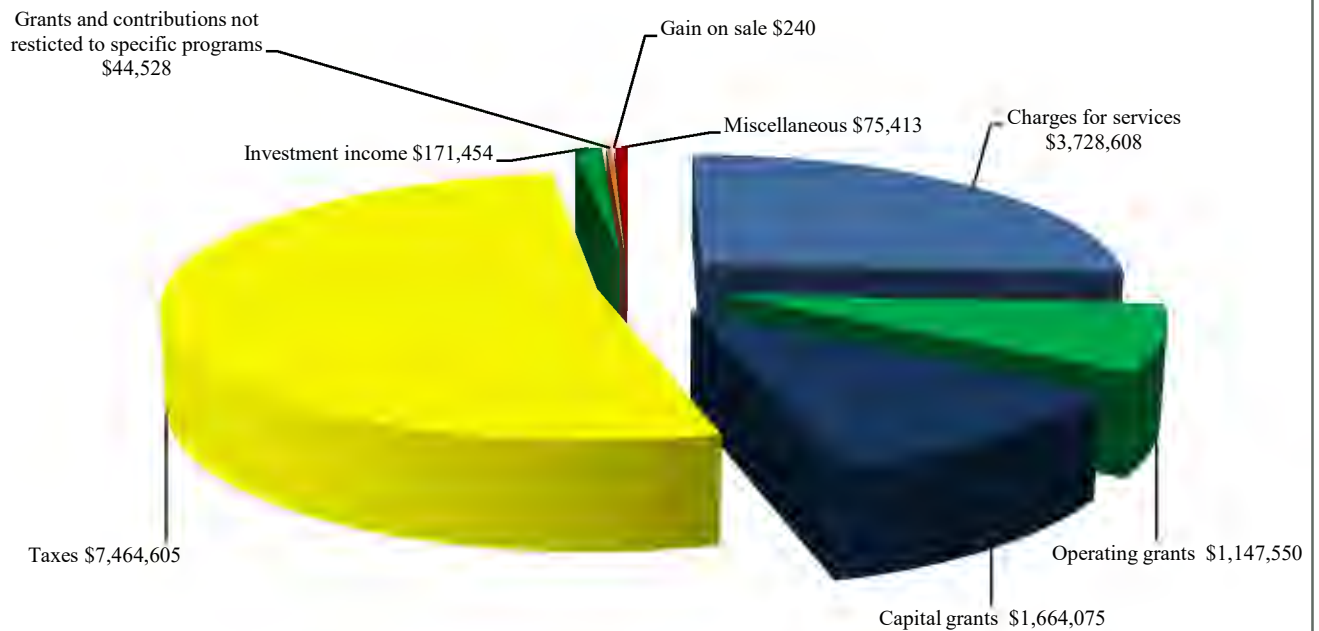


CITY OF UNION, MISSOURI

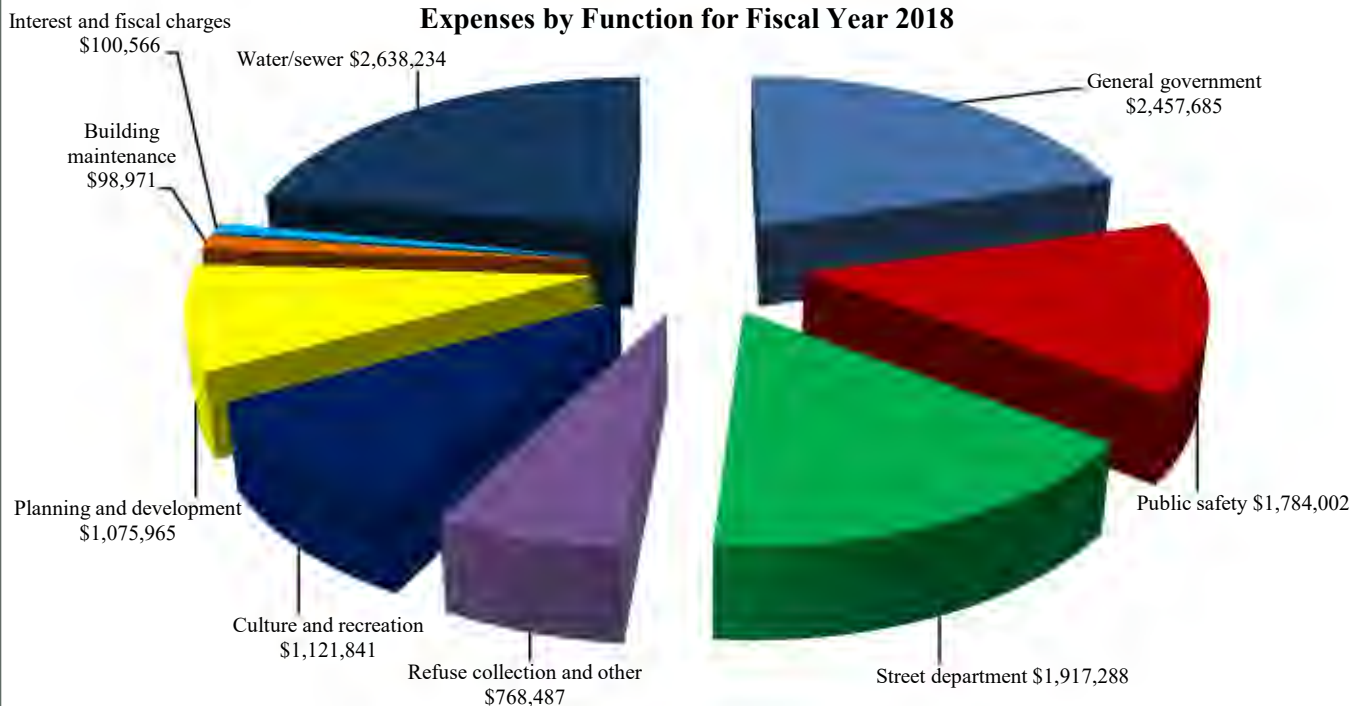
MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2018

Revenues by Sources for Fiscal Year 2018



Expenses by Function for Fiscal Year 2018



CITY OF UNION, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

Changes in net position. In 2018 the City's total revenues on the government-wide basis was \$14,296,473, an increase of \$1,397,530 as compared to 2017.

While the total revenues increased \$1,397,530 (10.8%) from last year, total expenses increased by \$1,127,199 (10.4%) from last year. The increase in revenues was due to the increase in charges for services and taxes. The increase in expenses was due to overall increase in general government, public safety, street department, and planning and development. As a result, the change in net position had an increase of \$2,282,649 (3.7%).

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. You can think of the City's net position (the difference between assets, deferred outflows, liabilities, and deferred inflows) 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 2018, the unassigned fund balance of the General Fund was \$2,682,925 while the total fund balance was \$8,985,359. 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 (24.9%) of total General Fund expenditures and transfers out of \$1,024,000, while total fund balance represents (83.5%) of total General Fund expenditures and transfers out.

The fund balance in the City's General Fund decreased by \$19,910 (2.2%) from the prior year fund balance. The changes of the current year's fund balance are mainly due to purchasing the future City Hall land.

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

- Park Fund increased by \$90,622. At the end of June 30, 2018, the nonspendable fund balance was \$40,000, the restricted fund balance was \$1,099, the unassigned fund balance was a negative \$2,462,079, and total fund balance was negative \$2,420,980.
- Transportation Tax Fund decreased by \$589,346. This decrease was a result of the transfer out to the General Fund. At the end of June 30, 2018, the restricted fund balance and total fund balance was \$770,770.

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

- Water and Sewer Fund increased \$609,202. This increase was a result of increasing revenues. At the end of June 30, 2018, total net position was \$24,335,030.

CITY OF UNION, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

GENERAL FUND BUDGETARY HIGHLIGHTS

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

- Total original revenue was budgeted \$7,895,644 which was increased to \$8,784,320. The budget was amended for an increase in expected sales tax revenue of \$228,876 and increase for intergovernmental resulting in \$568,581 increase revenue.

Final results for any given year will generally differ from that year's adopted budget. The final revised budget of the City's General Fund expenditures for 2018 was \$9,959,343, which differs from the original adopted budget of \$8,437,298 by \$1,522,045. These supplemental appropriations are summarized as follows:

- Increase in pay raises, employee benefits, fuel, and insurance.
- Areas of increase in the General Fund include road projects being completed in the 2017-2018 budget year.
- Purchasing property for the future City Hall.

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 Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 3,823,997	3,272,972	705,650	705,650	4,529,647	3,978,622
Construction in progress	2,666,355	737,084	210,054	41,110	2,876,409	778,194
Buildings	2,665,459	2,639,959	262,095	262,095	2,927,554	2,902,054
Infrastructure	34,811,745	34,004,192	27,501,031	27,501,031	62,312,776	61,505,223
Machinery and equipment	4,430,945	4,211,547	4,251,477	4,124,123	8,682,422	8,335,670
Total	\$ 48,398,501	44,865,754	32,930,307	32,634,009	81,328,808	77,499,763

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

CITY OF UNION, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

LONG-TERM DEBT

At the end of the fiscal year 2018, the City had outstanding long-term debt obligations for governmental and business-type activities in the amount of \$8,390,485 compared to \$9,145,854 in fiscal year 2017. Of this amount, \$5,485,000 is certificates of participation, \$2,564,500 is revenue bonds, and \$340,985 is capital leases. The City's total debt decreased \$755,369 during the current fiscal year.

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

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

	June 30	
	Business-type	
	Activities	
	2018	2017
2015 certificates of participation	\$ 2,990,000	3,200,000
2013A & B certificates of participation	2,495,000	2,745,000
2010A & B revenue bond	-	2,790,000
2017 revenue bonds	2,564,500	-
Capital lease obligation	340,985	410,854
Total	<u>\$ 8,390,485</u>	<u>9,145,854</u>

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

During the preparation of the budget for the ensuring fiscal year, the City took into consideration of the current economic conditions. Following are the assumptions made in preparing the City's budget for the 2018 - 2019 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 construction of the Veterans Memorial Park began in 2015. This project will be completed in 2018.

The Springfield Road project provides shoulders, sidewalks, and resurfacing of the roadway. This project was completed in 2018.

**CITY OF UNION, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018**

The City received a CAP grant to repair the lake and dam at the City Lake. The improvements include jetties, handicap dock, and stocking of lake. This was completed and opened to the public.

The Clark and State Street pedestrian sidewalk project will be completed in 2018.

The City's new comprehensive plan, water study, and the five-year capital improvement plan are completed. These plans will be helpful with long range planning purposes to accomplish goals and objectives for the City. The plans will help project costs and estimating revenues for the next five years enables the city to prioritize and prepare for its future capital needs more effectively.

REQUESTS FOR INFORMATION

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

CITY OF UNION, MISSOURI

STATEMENT OF NET POSITION

JUNE 30, 2018

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 6,721,741	5,066,326	11,788,067
Accounts receivable	818,129	469,491	1,287,620
Property taxes receivable, net of allowance	60,691	-	60,691
Court fines receivable	67,819	-	67,819
Grants receivable	258,284	-	258,284
Accrued interest receivable	4,521	-	4,521
Inventory	-	153,454	153,454
Prepaid items	180,086	102,172	282,258
Restricted assets:			
Cash	5,955	1,407,781	1,413,736
Net pension asset	1,679,775	128,060	1,807,835
Capital assets:			
Land and construction in progress	6,490,352	915,704	7,406,056
Other capital assets, net of accumulated depreciation	27,355,362	21,662,281	49,017,643
Total Assets	<u>43,642,715</u>	<u>29,905,269</u>	<u>73,547,984</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	-	200,712	200,712
Deferred amounts related to pensions	587,856	27,708	615,564
Total Deferred Outflows Of Resources	<u>587,856</u>	<u>228,420</u>	<u>816,276</u>
LIABILITIES			
Accounts payable	489,537	97,261	586,798
Accrued wages	60,631	8,573	69,204
Accrued expenses	12,821	55,700	68,521
Accrued interest payable	41,654	36,543	78,197
Customer deposits payable	-	115,550	115,550
Court bonds payable	4,856	-	4,856
Noncurrent liabilities:			
Due within one year	349,220	536,603	885,823
Due in more than one year	2,813,074	4,893,361	7,706,435
Total Liabilities	<u>3,771,793</u>	<u>5,743,591</u>	<u>9,515,384</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to pensions	832,802	55,068	887,870
NET POSITION			
Net investment in capital assets	30,856,813	17,378,212	48,235,025
Restricted for:			
Street improvements	770,770	-	770,770
Cemetery maintenance	85,135	-	85,135
Stormwater improvements	64	-	64
Water and sewer improvements	-	1,407,777	1,407,777
Pension	1,434,829	100,700	1,535,529
Debt service	-	4	4
Unrestricted net position	<u>6,478,365</u>	<u>5,448,337</u>	<u>11,926,702</u>
Total Net Position	<u>\$ 39,625,976</u>	<u>24,335,030</u>	<u>63,961,006</u>

CITY OF UNION, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

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	\$ 2,457,685	224,021	-	-	(2,233,664)	-	(2,233,664)
Public safety	1,784,002	298,539	23,961	-	(1,461,502)	-	(1,461,502)
Street department	1,917,288	19,798	411,500	1,380,576	(105,414)	-	(105,414)
Refuse collection and other	768,487	781,762	-	-	13,275	-	13,275
Culture and recreation	1,121,841	267,150	-	283,499	(571,192)	-	(571,192)
Planning and development	1,075,965	8,161	712,089	-	(355,715)	-	(355,715)
Building maintenance	149,756	-	-	-	(149,756)	-	(149,756)
Interest and fiscal charges	100,566	-	-	-	(100,566)	-	(100,566)
Total Governmental Activities	9,375,590	1,599,431	1,147,550	1,664,075	(4,964,534)	-	(4,964,534)
Business-type Activities							
Water/sewer	2,638,234	2,129,177	-	-	-	(509,057)	(509,057)
Total Primary Government	<u>\$ 12,013,824</u>	<u>3,728,608</u>	<u>1,147,550</u>	<u>1,664,075</u>	<u>(4,964,534)</u>	<u>(509,057)</u>	<u>(5,473,591)</u>
General Revenues							
Taxes:							
Sales					2,994,725	998,241	3,992,966
Property					1,281,140	-	1,281,140
Franchise					1,779,831	-	1,779,831
Other					410,668	-	410,668
Investment income					126,383	45,071	171,454
Grants and contributions not restricted to specific programs					-	44,528	44,528
Gain on sale of capital assets					240	-	240
Miscellaneous					44,994	30,419	75,413
Total General Revenues					<u>6,637,981</u>	<u>1,118,259</u>	<u>7,756,240</u>
CHANGE IN NET POSITION					1,673,447	609,202	2,282,649
NET POSITION, JULY 1					<u>37,952,529</u>	<u>23,725,828</u>	<u>61,678,357</u>
NET POSITION, JUNE 30					<u>\$ 39,625,976</u>	<u>24,335,030</u>	<u>63,961,006</u>

See notes to financial statements

CITY OF UNION, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2018

	General Fund	Park Fund	Transportation Tax Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 6,030,322	-	606,220	85,199	6,721,741
Accounts receivable	653,579	-	164,550	-	818,129
Property taxes receivable, net of allowance	48,448	12,243	-	-	60,691
Court fines receivable	67,819	-	-	-	67,819
Grants receivable	258,284	-	-	-	258,284
Accrued interest receivable	4,521	-	-	-	4,521
Advance to other funds	2,391,447	-	-	-	2,391,447
Prepaid items	140,086	40,000	-	-	180,086
Restricted assets:					
Cash	4,856	1,099	-	-	5,955
Total Assets	<u>\$ 9,599,362</u>	<u>53,342</u>	<u>770,770</u>	<u>85,199</u>	<u>10,508,673</u>
LIABILITIES					
Accounts payable	\$ 436,824	52,713	-	-	489,537
Wages payable	44,859	15,772	-	-	60,631
Advance from other funds	-	2,391,447	-	-	2,391,447
Court bonds payable	4,856	-	-	-	4,856
Accrued liabilities	10,674	2,147	-	-	12,821
Total Liabilities	<u>497,213</u>	<u>2,462,079</u>	<u>-</u>	<u>-</u>	<u>2,959,292</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue:					
Property taxes	48,971	12,243	-	-	61,214
Court fines	67,819	-	-	-	67,819
Total Deferred Inflows Of Resources	<u>116,790</u>	<u>12,243</u>	<u>-</u>	<u>-</u>	<u>129,033</u>
FUND BALANCES					
Nonspendable	2,531,533	40,000	-	-	2,571,533
Restricted	-	1,099	770,770	85,199	857,068
Committed	3,524,000	-	-	-	3,524,000
Assigned	246,901	-	-	-	246,901
Unassigned	2,682,925	(2,462,079)	-	-	220,846
Total Fund Balances	<u>8,985,359</u>	<u>(2,420,980)</u>	<u>770,770</u>	<u>85,199</u>	<u>7,420,348</u>
Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	<u>\$ 9,599,362</u>	<u>53,342</u>	<u>770,770</u>	<u>85,199</u>	<u>10,508,673</u>

CITY OF UNION, MISSOURI
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2018

Total Fund Balances - Governmental Funds \$ 7,420,348

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 \$48,398,501 and the accumulated depreciation is \$14,552,787. 33,845,714

Certain amounts are not a use of financial resources and, therefore, are not reported in the governmental funds. These items consist of:

Net pension asset	1,679,775
Deferred outflows related to pensions	587,856
Deferred inflows related to pensions	(832,802)

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds. 129,033

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

Accrued interest payable	(41,654)
Certificates of participation	(2,990,000)
Compensated absences	(172,294)

Total Net Position Of Governmental Activities \$ 39,625,976

CITY OF UNION, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	General Fund	Park Fund	Transportation Tax Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 5,578,581	293,194	998,242	-	6,870,017
Fines and forfeitures	96,320	-	-	-	96,320
Licenses and permits	200,308	-	-	-	200,308
Charges for services	960,291	255,816	-	-	1,216,107
Intergovernmental	2,091,126	276,249	-	-	2,367,375
Donations	-	2,575	-	-	2,575
Investment income	111,812	1,068	12,412	1,091	126,383
Rental income	23,557	-	-	-	23,557
Miscellaneous	81,482	26,374	-	-	107,856
Total Revenues	<u>9,143,477</u>	<u>855,276</u>	<u>1,010,654</u>	<u>1,091</u>	<u>11,010,498</u>
EXPENDITURES					
Current:					
General government	2,961,013	-	-	-	2,961,013
Public safety	1,686,851	-	-	-	1,686,851
Street department	673,751	-	-	-	673,751
Refuse collection and other	768,487	-	-	-	768,487
Culture and recreation	-	987,503	-	-	987,503
Planning and development	1,045,819	-	-	-	1,045,819
Building maintenance	72,645	-	-	-	72,645
Capital outlay	2,531,061	487,759	-	-	3,018,820
Debt service:					
Principal	-	210,000	-	-	210,000
Interest and fiscal charges	-	103,392	-	-	103,392
Total Expenditures	<u>9,739,627</u>	<u>1,788,654</u>	<u>-</u>	<u>-</u>	<u>11,528,281</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(596,150)</u>	<u>(933,378)</u>	<u>1,010,654</u>	<u>1,091</u>	<u>(517,783)</u>
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	240	-	-	240	480
Transfers in	1,600,000	1,024,000	-	-	2,624,000
Transfers out	(1,024,000)	-	(1,600,000)	-	(2,624,000)
Total Other Financing Sources (Uses)	<u>576,240</u>	<u>1,024,000</u>	<u>(1,600,000)</u>	<u>240</u>	<u>480</u>
NET CHANGES IN FUND BALANCES	<u>(19,910)</u>	<u>90,622</u>	<u>(589,346)</u>	<u>1,331</u>	<u>(517,303)</u>
FUND BALANCES, JULY 1	<u>9,005,269</u>	<u>(2,511,602)</u>	<u>1,360,116</u>	<u>83,868</u>	<u>7,937,651</u>
FUND BALANCES, JUNE 30	<u>\$ 8,985,359</u>	<u>(2,420,980)</u>	<u>770,770</u>	<u>85,199</u>	<u>7,420,348</u>

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, 2018

Net Change In Fund Balances - Governmental Funds	\$ (517,303)
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays over the capitalization threshold (\$3,604,613) exceeded depreciation (\$1,557,011) in the current period.	2,047,602
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The net effect of various transactions involving capital assets:	
Contributed capital assets	25,500

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	12,559
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The issuance of long-term debt (i.e., bonds, leases) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. Also, the governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.

Repayments:	
Certificates of participation	210,000

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	(11,234)
Accrued interest on debt	2,826
Pension expense	(96,503)

Change In Net Position Of Governmental Activities	\$ 1,673,447
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CITY OF UNION, MISSOURI
STATEMENT OF NET POSITION - PROPRIETARY FUND
JUNE 30, 2018

	Business-type Activities - Enterprise Fund Water/Sewer
ASSETS	
Current Assets	
Cash and cash investments	\$ 5,066,326
Accounts receivable	469,491
Inventory	153,454
Prepaid items	102,172
Total Current Assets	<u>5,791,443</u>
Noncurrent Assets	
Cash and cash investments - restricted	1,407,781
Net pension asset	128,060
Land and construction in progress	915,704
Other capital assets, net of accumulated depreciation	21,662,281
Total Noncurrent Assets	<u>24,113,826</u>
Total Assets	<u>29,905,269</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	200,712
Deferred amounts related to pensions	27,708
Total Deferred Outflows Of Resources	<u>228,420</u>
LIABILITIES	
Current Liabilities	
Accounts payable	97,261
Accrued wages	8,573
Accrued expenses	55,700
Accrued interest payable	36,543
Accrued compensated absences - current	22,109
Capital lease - current	73,594
Debt payable - current	440,900
Total Current Liabilities	<u>734,680</u>
Noncurrent Liabilities	
Customer deposits payable	115,550
Accrued compensated absences	7,370
Capital leases payable	267,391
Debt payable, net	4,618,600
Total Noncurrent Liabilities	<u>5,008,911</u>
Total Liabilities	<u>5,743,591</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred amounts related to pensions	<u>55,068</u>
NET POSITION	
Net investment in capital assets	17,378,212
Restricted for debt service	4
Restricted for water and sewer improvements	1,407,777
Restricted for pension	100,700
Unrestricted	<u>5,448,337</u>
Total Net Position	<u>\$ 24,335,030</u>

CITY OF UNION, MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND
CHANGE IN NET POSITION - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Business-type Activities - Enterprise Fund Water/Sewer
OPERATING REVENUES	
Charges for services:	
Water	\$ 1,237,721
Sewer	891,456
Total Operating Revenues	<u>2,129,177</u>
OPERATING EXPENSES	
Depreciation	742,952
Water	759,113
Sewer	874,069
Total Operating Expenses	<u>2,376,134</u>
OPERATING LOSS	<u>(246,957)</u>
NONOPERATING REVENUES (EXPENSES)	
Taxes	998,241
Investment income	45,071
Intergovernmental	44,528
Miscellaneous	30,419
Bond issuance costs	(62,502)
Interest expense and fiscal charges	(199,598)
Total Nonoperating Revenues (Expenses)	<u>856,159</u>
CHANGE IN NET POSITION	609,202
NET POSITION, JULY 1	<u>23,725,828</u>
NET POSITION, JUNE 30	<u><u>\$ 24,335,030</u></u>

CITY OF UNION, MISSOURI
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Business-type Activities - Enterprise Fund Water/Sewer
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	
Cash flows from operating activities:	
Receipts from customers and users	\$ 2,085,339
Payments to suppliers	(774,318)
Payments to employees	(804,819)
Other receipts	30,419
Net Cash Provided By Operating Activities	<u>536,621</u>
Cash flows from noncapital financing activities:	
Taxes	998,241
Intergovernmental	44,528
Net Cash Provided By Noncapital Financing Activities	<u>1,042,769</u>
Cash flows from capital and related financing activities:	
Interest paid on bonds	(185,940)
Payments on capital lease payable	(69,869)
Proceeds (uses) from debt issuance	(57,815)
Payments on bonds payable	(510,100)
Acquisition and construction of capital assets	(311,350)
Disposal of capital assets	3,915
Net Cash Used In Capital And Related Financing Activities	<u>(1,131,159)</u>
Cash flows provided by investing activities:	
Investment income	<u>45,071</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	493,302
CASH AND CASH EQUIVALENTS, JULY 1	<u>5,980,805</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u><u>\$ 6,474,107</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating loss	\$ (246,957)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	742,952
Miscellaneous receipts	30,419
(Increase) decrease in:	
Accounts receivable	(45,738)
Inventory	6,062
Prepaid items	(6,172)
Net pension asset	(77,647)
Deferred outflows related to pensions	40,711
Increase (decrease) in:	
Accounts payable	46,198
Accrued wages	1,568
Accrued compensated absences	4,928
Accrued expenses	4,711
Customer deposits payable	1,900
Deferred inflows related to pensions	33,686
Total Adjustments	<u>783,578</u>
Net Cash Provided By Operating Activities	<u><u>\$ 536,621</u></u>
Supplemental disclosure of cash flow information:	
Noncash investing, capital, and financing activities:	
Debt financing:	
Par value of debt issued	\$ 2,659,600
Costs of issuance	(62,502)
Deferred charges and other	(29,913)
Defeased debt	<u>(2,625,000)</u>
Net Cash Used	<u><u>\$ (57,815)</u></u>

See notes to financial statements

CITY OF UNION, MISSOURI
STATEMENT OF FIDUCIARY NET POSITION - AGENCY FUND
JUNE 30, 2018

ASSETS

Cash	<u>\$ 23,188</u>
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LIABILITIES

Due to others	<u>\$ 23,188</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) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from 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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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 the collection of taxes and park programs revenue and for the activities related to the parks department.

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

The City reports the following major proprietary fund:

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

Additionally, the City reports the following fiduciary fund type:

Agency Funds -- Agency Funds are used to account for assets held by the City as an agent for police evidence and donations for the veterans memorial. Agency Funds do not have a measurement focus, although they do have a basis of accounting.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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 \$66,865 and \$16,716 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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 acquisition 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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

12. Long-term Liabilities

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

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

13. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. The first item arises under a modified accrual basis of accounting. Unavailable revenues, is reported only in the governmental funds balance sheet. The governmental funds re-

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. Deferred Outflows/Inflows of Resources (Continued)

port unavailable revenues from various sources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second items deferred inflows related to the pension.

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.

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

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

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

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

The fund balance details by classification are listed below:

CITY OF UNION, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. Fund Balance Policies (Continued)

Fund Balances	June 30, 2018			
	General Fund	Park Fund	Transportation Tax Fund	Nonmajor Governmental Funds
Nonspendable:				
Prepays	\$ 140,086	40,000	-	-
Advance to other funds	2,391,447	-	-	-
Restricted for:				
Cemetery	-	-	-	85,135
Stormwater management	-	-	-	64
Street department	-	-	770,770	-
Veteran's Memorial Park	-	1,099	-	-
Committed to:				
Capital projects	2,500,000	-	-	-
Parks and recreation	1,024,000	-	-	-
Assigned to:				
Subsequent years' budget	246,901	-	-	-
Unassigned	2,682,925	(2,441,479)	-	-
 Total Fund Balances	 \$ 8,985,359	 (2,400,380)	 770,770	 85,199

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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

16. Grant Revenue (Continued)

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.

The Franklin County Assessor establishes assessed values and the City tax collector makes collections. The assessed value at January 1, 2017 upon which the 2017 levy was based for \$182,660,308.

The City's tax rate was levied at \$0.7228 per \$100 of assessed valuation of which \$0.5825 is used for general governmental services and \$0.1403 is used for park services.

19. Use of Estimates

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

20. Pensions

For purposes of measuring the net pension asset/liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri Local Government Employees Retirement System (LAGERS) and additions to/deductions from LAGERS' fiduciary net position have been determined on the

CITY OF UNION, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

20. Pensions (Continued)

same basis as they are reported by LAGERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. LAGERS' investments are reported at fair value.

NOTE B - CASH AND INVESTMENTS

1. Deposits

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

As of June 30, 2018, 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, 2018, the City had the following investments:

Investments	Fair Value	Maturities			Credit Risk
		No Maturity	Less Than One Year	1 - 5 Years	
Governmental Funds					
Certificates of deposit	\$ 4,003,655	-	-	4,003,655	N/A
Cash deposits	2,724,041				
Total Governmental Funds Cash And Investments	<u>\$ 6,727,696</u>				
Proprietary Funds					
Cash deposits	<u>\$ 6,474,107</u>	-	-	-	

NOTE B - CASH AND INVESTMENTS (Continued)

2. Investments (Continued)

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.

3. Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The inputs and methodologies used for valuing investment securities are not necessarily an indication of risk associated with investing in those securities.

The City only has certificate of deposits as of June 30, 2018, which are not measured at fair value and are excluded from the fair value hierarchy.

NOTE C - CAPITAL ASSETS

Capital asset activity was as follows:

CITY OF UNION, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - CAPITAL ASSETS (Continued)

For The Year Ended June 30, 2018			
	Balance June 30 2017	Increases	Decreases
Governmental Activities			
Capital assets not being depreciated:			
Land	\$ 3,272,972	551,025	-
Construction in progress	737,084	2,736,824	807,553
Total Capital Assets Not Being Depreciated	4,010,056	3,287,849	807,553
Capital assets being depreciated:			
Buildings	2,639,959	25,500	-
Infrastructure	34,004,192	807,553	-
Machinery and equipment	4,211,547	316,764	97,366
Total Capital Assets Being Depreciated	40,855,698	1,149,817	97,366
Less - Accumulated depreciation for:			
Buildings	1,943,574	29,155	-
Infrastructure	8,199,077	1,244,457	-
Machinery and equipment	2,950,491	283,399	97,366
Total Accumulated Depreciation	13,093,142	1,557,011	97,366
Total Capital Assets Being Depreciated, Net	27,762,556	(407,194)	-
Governmental Activities Capital Assets, Net	<u>\$ 31,772,612</u>	<u>2,880,655</u>	<u>807,553</u>

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

	For The Year Ended June 30 2018
Governmental Activities	
General government	\$ 2,295
Public safety	66,244
Street department	1,277,743
Culture and recreation	131,977
Planning and development	2,264
Building maintenance	76,488
Total	<u>\$ 1,557,011</u>

CITY OF UNION, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - CAPITAL ASSETS (Continued)

For The Year Ended June 30, 2018			
	Balance June 30 2017	Increases	Decreases
Business-type Activities			
Capital assets not being depreciated:			
Land	\$ 705,650	-	-
Construction in progress	41,110	168,944	-
Total Capital Assets Not Being Depreciated	746,760	168,944	-
Capital assets being depreciated:			
Buildings	262,095	-	-
Infrastructure	27,501,031	-	-
Machinery and equipment	4,124,123	142,406	15,052
Total Capital Assets Being Depreciated	31,887,249	142,406	15,052
Less - Accumulated depreciation for:			
Buildings	147,409	4,712	-
Infrastructure	7,300,481	564,264	-
Machinery and equipment	2,172,617	173,976	11,137
Total Accumulated Depreciation	9,620,507	742,952	11,137
Total Capital Assets Being Depreciated, Net	22,266,742	(600,546)	3,915
Business-type Activities Capital Assets, Net	\$ 23,013,502	(431,602)	3,915
			For The Year Ended June 30 2018
Business-type Activities			
Water/sewer facility			\$ 742,952

NOTE D - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Individual interfund assets and liabilities are as follows:

Advance from/to other funds

Receivable Fund	Payable Fund	June 30 2018
General Fund	Park Fund	\$ 2,391,447

CITY OF UNION, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Continued)

Interfund balances are due to negative cash balances and are expected to be repaid when funds are available.

Individual interfund transfers are as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>June 30 2018</u>
General Fund	Transportation Tax Fund	\$ 1,600,000
Park Fund	General Fund	<u>1,024,000</u>
Total		<u><u>\$ 2,624,000</u></u>

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

NOTE E - RESTRICTED NET POSITION

The government-wide statement of net position reports \$3,799,279 of restricted net position, of which \$2,263,746 is restricted by enabling legislation.

NOTE F - LONG-TERM DEBT

Long-term debt consisted of the following:

Governmental Activities	<u>June 30 2018</u>
\$3,590,000 certificates of participation (Series 2014), used for construction of the Veteran's Memorial Park. Due in annual installments through August 1, 2029; interest payable at 3.23%.	<u><u>\$ 2,990,000</u></u>

CITY OF UNION, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE F - LONG-TERM DEBT (Continued)

June 30
2018

Business-type Activities

\$2,370,000 certificates of participation, under the terms of the refinancing agreement Series 2013A, due in annual installments through October 1, 2026; interest payable at 1.75% to 3.05%. \$ 2,370,000

\$1,300,000 taxable certificates of participation, under the terms of the refinancing agreement Series 2013B, due in annual installments through October 1, 2018; interest payable at 0.45% to 2.1%. 125,000

\$2,659,600 taxable revenue bonds, under the terms of the refinancing agreement Series 2017, due in annual installments through October 1, 2030; interest payable at 2.50%. 2,564,500

Total \$ 5,059,500

In December 2017, the City issued \$2,659,600 of Revenue Bonds (Series 2017) to refund the series 2010A Revenue Bonds. The Series 2017 bear an interest rate of 2.50% and are due October 1, 2030. The net proceeds (after payment of underwriting fees, insurance, and other issuance costs) were used to purchase securities for deposit into 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, 2018, \$2,625,000 of debt is considered defeased. The City decreased its aggregated debt service payments by \$159,038 over 14 years which resulted in an economic gain (difference between the present values of the old and new debt service payments) of \$64,315.

CITY OF UNION, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE F - LONG-TERM DEBT (Continued)

Annual principal and interest for governmental activities are as follows:

For The Years Ending June 30	Certificates Of Participation	
	Principal	Interest
2019	\$ 220,000	94,801
2020	225,000	87,695
2021	235,000	80,346
2022	240,000	72,675
2023	250,000	64,842
2024 - 2028	1,365,000	197,595
2029 - 2030	455,000	14,777
Total	<u>\$ 2,990,000</u>	<u>612,731</u>

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

For The Years Ending June 30	Certificates Of Participation		Revenue Bonds	
	Principal	Interest	Principal	Interest
2019	\$ 255,000	61,118	185,900	62,923
2020	260,000	56,067	184,100	58,328
2021	260,000	50,608	186,400	53,697
2022	270,000	44,508	190,800	49,037
2023	275,000	37,693	197,100	44,212
2024 - 2028	1,175,000	70,931	1,048,500	144,801
2029 - 2031	-	-	571,700	21,586
Total	<u>\$ 2,495,000</u>	<u>320,925</u>	<u>2,564,500</u>	<u>434,584</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, 2018			Amounts Due Within One Year
	Balance June 30 2017	Additions	Reductions	Balance June 30 2018
Governmental Activities				
Certificates of participation	\$ 3,200,000	-	210,000	2,990,000
Compensated absences	161,060	150,477	139,243	172,294
Total Governmental Activities	<u>\$ 3,361,060</u>	<u>150,477</u>	<u>349,243</u>	<u>3,162,294</u>
Business-type Activities				
Certificates of participation	\$ 2,745,000	-	250,000	2,495,000
Revenue bonds	2,790,000	2,659,600	2,885,100	2,564,500
Capital lease obligation	410,854	-	69,869	340,985
Total Bonds And Capital Leases	<u>5,945,854</u>	<u>2,659,600</u>	<u>3,204,969</u>	<u>5,400,485</u>
Compensated absences	24,551	41,354	36,426	29,479
Total Business-type Activities	<u>\$ 5,970,405</u>	<u>2,700,954</u>	<u>3,241,395</u>	<u>5,429,964</u>

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

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

The assets acquired through the capital lease is as follows:

	<u>June 30, 2018</u> <u>Business-type</u> <u>Activities</u>
Assets:	
Infrastructure	\$ 914,863
Less - Accumulated depreciation	<u>384,242</u>
Total	<u>\$ 530,621</u>

CITY OF UNION, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE F - LONG-TERM DEBT (Continued)

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

For The Years Ending June 30	Business-type Activities
2019	\$ 90,000
2020	90,000
2021	90,000
2022	90,000
2023	22,500
Total Minimum Lease Payments	382,500
Less - Imputed interest	41,515
Present Value Of Minimum Lease Payments	<u>\$ 340,985</u>

NOTE G - PENSION PLAN

Plan Description

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

Benefits Provided

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

NOTE G - PENSION PLAN (Continued)

Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police) and receive a reduced allowance.

2018
Valuation

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

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

Employees Covered by Benefit Terms

At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	50
Inactive employees entitled to but not yet receiving benefits	21
Active employees	<u>75</u>
Total	<u><u>146</u></u>

Contributions

The City is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the City do not contribute to the pension plan. The City contribution rates are 12.6% (General) and 8.5% (Police) of annual covered payroll.

Net Pension Liability (Asset)

The City's net pension liability (asset) was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of February 28, 2018.

NOTE G - PENSION PLAN (Continued)

Actuarial Assumptions

The total pension liability in the February 28, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation; 2.50% price inflation
Salary increase	3.25% to 6.55% including wage inflation
Investment rate of return	7.25%, net of investment expenses

The healthy retiree mortality tables for post-retirement mortality were RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables for post-retirement mortality were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees' mortality tables for males and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 28, 2018 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate Of Return</u>
Equity	43.00%	5.16%
Fixed income	26.00	2.86
Real assets	21.00	3.23
Strategic assets	10.00	5.59

Discount Rate

The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed

CITY OF UNION, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE G - PENSION PLAN (Continued)

upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a)-(b)
Balances at June 30, 2017	<u>\$ 15,813,786</u>	<u>17,129,624</u>	<u>(1,315,838)</u>
Changes for the year			
Service cost	327,121	-	327,121
Interest	1,139,634	-	1,139,634
Difference between expected and actual experience	405,080	-	405,080
Contributions - employer	-	350,170	(350,170)
Net investment income	-	2,115,514	(2,115,514)
Benefit payments, including refunds	(519,874)	(519,874)	-
Administrative expense	-	(11,609)	11,609
Other	-	(90,243)	90,243
Net Changes	<u>1,351,961</u>	<u>1,843,958</u>	<u>(491,997)</u>
Balances at June 30, 2018	<u>\$ 17,165,747</u>	<u>18,973,582</u>	<u>(1,807,835)</u>

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 7.25%, as well as what the City's net pension liability (asset) would be using a discount rate that is 1% point lower (6.25%) or 1% point higher (8.25%) than the current rate.

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
Net pension liability (asset)	\$ 640,533	(1,807,835)	(3,829,408)

CITY OF UNION, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE G - PENSION PLAN (Continued)

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

For the year ended June 30, 2018 the City recognized pension expense of \$443,423. Reported deferred outflows and inflows of resources are related to the following sources:

	<u>Outflows</u>	<u>Inflows</u>	<u>Net Outflows</u>
Differences in experience	\$ 344,309	(322,477)	21,832
Assumption changes	271,255	-	271,255
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>(565,393)</u>	<u>(565,393)</u>
Total	<u>\$ 615,564</u>	<u>(887,870)</u>	<u>(272,306)</u>

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

**For The
Years Ending
June 30**

2019	\$ 107,794
2020	(266)
2021	(299,023)
2022	(132,077)
2023	<u>51,266</u>
Total	<u>\$ (272,306)</u>

Payable to the Pension Plan

At June 30, 2018, the City reported a payable of \$33,096 for the outstanding amount of contributions to the pension plan.

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

NOTE H - RISK MANAGEMENT (Continued)

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, 2018.

MIRMA is funded by annual member assessments calculated at a rate per \$100 of annual payroll which applies to all lines of coverage on a composite basis. These funds are used to pay losses within specific risk retention limits shared equally by all members; purchase excess insurance which provides a transfer of catastrophic risk to private insurance carriers; purchase services such as claims administration, loss prevention, and data processing; and pay administrative expenses. Should actual insurance losses exceed MIRMA's estimates, the City could be required to contribute additional funds. Management believes the risk of additional loss is minimal and any additional contributions that may be required would not materially impact the overall operations of the City. The City paid an assessment totaling \$269,773 for MIRMA's fiscal year ended June 30, 2018. Settled claims resulting in these risks have not exceeded coverage in any of the past three years.

NOTE I - COMMITMENTS

At June 30, 2018, the City had commitments for the following projects:

	<u>Approximate Amounts Still Outstanding</u>
Road and bridge construction	\$ 894,546
Water lines	7,751
Sanitary sewer pretreatment program	<u>18,954</u>
Total	<u><u>\$ 921,251</u></u>

NOTE J - CONDUIT DEBT

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

CITY OF UNION, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE J - CONDUIT DEBT (Continued)

	<u>June 30 2018</u>
\$4,500,000 Taxable Industrial Revenue Bonds (Pharma Tech Industrial Project Series 2014), due December 1, 2019.	\$ 889,054
\$4,000,000 Taxable Industrial Revenue Bonds (Black Creek Management LLC Series 2014), due December 1, 2019.	<u>2,875,728</u>
Total	<u><u>\$ 3,764,782</u></u>

NOTE K - SEGMENT INFORMATION

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

	Condensed Statement Of Net Position		
	June 30, 2018		
	Water	Sewer	Totals
ASSETS			
Current and other assets	\$ 1,955,615	3,963,888	5,919,503
Restricted assets	-	1,407,781	1,407,781
Capital assets	7,355,360	15,222,625	22,577,985
Total Assets	<u>9,310,975</u>	<u>20,594,294</u>	<u>29,905,269</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>13,854</u>	<u>214,566</u>	<u>228,420</u>
LIABILITIES			
Current liabilities	196,572	538,108	734,680
Noncurrent liabilities	390,311	4,618,600	5,008,911
Total Liabilities	<u>586,883</u>	<u>5,156,708</u>	<u>5,743,591</u>
DEFERRED INFLOWS OF RESOURCES	<u>27,534</u>	<u>27,534</u>	<u>55,068</u>
NET POSITION			
Net investment in capital assets	7,014,375	10,363,837	17,378,212
Restricted	-	1,407,781	1,407,781
Unrestricted	1,696,037	3,853,000	5,549,037
Total Net Position	<u><u>\$ 8,710,412</u></u>	<u><u>15,624,618</u></u>	<u><u>24,335,030</u></u>

CITY OF UNION, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE K - SEGMENT INFORMATION (Continued)

Condensed Statement Of Revenues, Expenses, And Changes In Net Position For The Year Ended June 30, 2018			
	Water	Sewer	Totals
OPERATING REVENUES	\$ 1,237,721	891,456	2,129,177
DEPRECIATION	264,034	478,918	742,952
OTHER OPERATING EXPENSES	759,113	874,069	1,633,182
OPERATING INCOME (LOSS)	214,574	(461,531)	(246,957)
NONOPERATING REVENUES (EXPENSES)			
Taxes	-	998,241	998,241
Investment income	19,924	25,147	45,071
Intergovernmental	-	44,528	44,528
Miscellaneous	28,580	1,839	30,419
Cost of issuance	-	(62,502)	(62,502)
Interest expense and fiscal charges	(19,523)	(180,075)	(199,598)
Total Nonoperating Revenues (Expenses)	28,981	827,178	856,159
CHANGE IN NET POSITION	243,555	365,647	609,202
NET POSITION, JULY 1	8,466,857	15,258,971	23,725,828
NET POSITION, JUNE 30	\$ 8,710,412	15,624,618	24,335,030
Condensed Statement Of Cash Flows For The Year Ended June 30, 2018			
	Water	Sewer	Totals
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
Net cash provided by (used in):			
Operating activities	\$ 533,434	3,187	536,621
Noncapital financing activities	-	1,042,769	1,042,769
Capital and related financing activities	(357,405)	(773,754)	(1,131,159)
Investing activities	19,924	25,147	45,071
NET INCREASE IN CASH AND CASH EQUIVALENTS	195,953	297,349	493,302
CASH AND CASH EQUIVALENTS, JULY 1	1,350,697	4,630,108	5,980,805
CASH AND CASH EQUIVALENTS, JUNE 30	\$ 1,546,650	4,927,457	6,474,107

NOTE L - RELATED PARTY TRANSACTIONS

The City has entered into transactions with a company owned by an Alderman. The expenses totaled \$2,000 for the year ended June 30, 2018.

NOTE M - DEFICIT BALANCE

The Park Fund has a deficit in fund balance of \$2,420,980. The deficit will be offset by future revenues.

NOTE N - CONTINGENCIES

The City generally follows the practice of recording liabilities resulting from claims and legal actions only when they become fixed and determinable in amount. Various suits and claims against the City are presently pending. It is management's opinion that any liability resulting from pending suits in excess of insurance coverage will not have a material effect on the basic financial statements of the City at June 30, 2018.

NOTE O - FUTURE ACCOUNTING PRONOUNCEMENT

The Governmental Accounting Standards Board (GASB) had issued several statements not yet implemented by the City. The statements which might impact the City are as follows:

- GASB Statement No. 84, Fiduciary Activities. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.
- GASB Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

REQUIRED SUPPLEMENTAL INFORMATION SECTION

CITY OF UNION, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND
BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Taxes	\$ 5,352,100	5,580,976	5,578,581	(2,395)
Fines and forfeitures	90,400	90,400	96,320	5,920
Licenses and permits	142,100	205,993	200,308	(5,685)
Charges for services	893,000	921,769	960,291	38,522
Intergovernmental	1,272,444	1,841,025	2,091,126	250,101
Investment income	90,000	90,000	111,812	21,812
Rental income	25,000	23,557	23,557	-
Miscellaneous	30,600	30,600	81,482	50,882
Total Revenues	<u>7,895,644</u>	<u>8,784,320</u>	<u>9,143,477</u>	<u>359,157</u>
EXPENDITURES				
General government:				
Mayor and board:				
Personnel services	44,752	45,077	44,804	(273)
General services	18,900	18,900	18,432	(468)
Total Mayor And Board	<u>63,652</u>	<u>63,977</u>	<u>63,236</u>	<u>(741)</u>
City clerk:				
Personnel services	115,610	115,610	115,316	(294)
Supplies and materials	1,100	1,100	969	(131)
General services	15,600	15,600	9,629	(5,971)
Maintenance and repairs	55,200	55,200	46,125	(9,075)
Total City Clerk	<u>187,510</u>	<u>187,510</u>	<u>172,039</u>	<u>(15,471)</u>
City collector:				
Personnel services	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
City administrator:				
Personnel services	214,197	214,197	213,250	(947)
Supplies and materials	1,000	1,056	1,056	-
General services	12,550	12,550	10,598	(1,952)
Maintenance and repairs	1,900	1,900	786	(1,114)
Total City Administrator	<u>229,647</u>	<u>229,703</u>	<u>225,690</u>	<u>(4,013)</u>

(Continued)

CITY OF UNION, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND
BALANCE - BUDGET AND ACTUAL - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
EXPENDITURES (Continued)				
General government (Continued):				
City attorney:				
General services	<u>50,500</u>	<u>50,000</u>	<u>42,786</u>	<u>(7,214)</u>
Municipal division:				
Personnel services	46,581	46,851	46,647	(204)
Supplies and materials	1,790	1,790	1,326	(464)
General services	40,450	40,450	36,054	(4,396)
Maintenance and repairs	100	100	-	(100)
Total Municipal Division	<u>88,921</u>	<u>89,191</u>	<u>84,027</u>	<u>(5,164)</u>
Incidental:				
Personnel services	1,370,000	1,370,000	1,329,706	(40,294)
Supplies and materials	11,700	11,700	10,979	(721)
General services	442,500	1,006,136	1,001,591	(4,545)
Maintenance and repairs	6,500	13,234	12,821	(413)
Total Incidental	<u>1,830,700</u>	<u>2,401,070</u>	<u>2,355,097</u>	<u>(45,973)</u>
Legal and elections:				
General service	<u>22,700</u>	<u>22,700</u>	<u>18,137</u>	<u>(4,563)</u>
Total General Government	<u>2,473,630</u>	<u>3,044,152</u>	<u>2,961,013</u>	<u>(83,139)</u>
Public safety:				
Personnel services	1,458,250	1,524,871	1,515,433	(9,438)
Supplies and materials	15,185	12,185	10,651	(1,534)
General services	80,265	80,765	70,060	(10,705)
Maintenance and repairs	107,200	105,200	90,707	(14,493)
Capital outlay	58,794	64,204	61,545	(2,659)
Total Public Safety	<u>1,719,694</u>	<u>1,787,225</u>	<u>1,748,396</u>	<u>(38,829)</u>
Street department:				
Personnel services	477,993	477,993	410,532	(67,461)
Supplies and materials	106,050	106,050	79,762	(26,288)
General services	18,800	68,800	65,631	(3,169)

(Continued)

CITY OF UNION, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND
BALANCE - BUDGET AND ACTUAL - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2018

	Original Budget	Final Budget	Actual	Over (Under) Budget
EXPENDITURES (Continued)				
Street department (Continued):				
Maintenance and repairs	414,400	149,400	117,826	(31,574)
Capital outlay	2,082,766	2,506,543	2,444,481	(62,062)
Total Street Department	<u>3,100,009</u>	<u>3,308,786</u>	<u>3,118,232</u>	<u>(190,554)</u>
Refuse collection and other:				
Cemetery:				
General services	100	150	150	-
Maintenance and repairs	12,000	12,000	10,380	(1,620)
Total Cemetery	<u>12,100</u>	<u>12,150</u>	<u>10,530</u>	<u>(1,620)</u>
Sanitation:				
General services	685,400	757,984	757,957	(27)
Total Refuse Collection And Other	<u>697,500</u>	<u>770,134</u>	<u>768,487</u>	<u>(1,647)</u>
Planning and development:				
Engineering services:				
Personnel services	188,525	188,525	188,376	(149)
Supplies and materials	1,500	1,500	1,231	(269)
General services	2,600	2,600	1,647	(953)
Maintenance and repairs	3,700	3,700	3,337	(363)
Total Engineering Services	<u>196,325</u>	<u>196,325</u>	<u>194,591</u>	<u>(1,734)</u>
Economic development:				
Personnel services	125,820	125,820	121,902	(3,918)
Supplies and materials	1,300	1,300	978	(322)
General services	20,100	619,625	723,714	104,089
Maintenance and repairs	3,950	4,689	4,634	(55)
Capital outlay	25,140	25,140	25,035	(105)
Total Economic Develop- ment	<u>176,310</u>	<u>776,574</u>	<u>876,263</u>	<u>99,689</u>
Total Planning And De- velopment	<u>372,635</u>	<u>972,899</u>	<u>1,070,854</u>	<u>97,955</u>

(Continued)

CITY OF UNION, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND
BALANCE - BUDGET AND ACTUAL - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2018

	Original Budget	Final Budget	Actual	Over (Under) Budget
EXPENDITURES (Continued)				
Building maintenance:				
Personnel services	48,130	48,130	46,505	(1,625)
Supplies and materials	6,600	6,600	4,948	(1,652)
General services	15,100	17,417	17,396	(21)
Maintenance and repairs	4,000	4,000	3,796	(204)
Total Building Maintenance	<u>73,830</u>	<u>76,147</u>	<u>72,645</u>	<u>(3,502)</u>
Total Expenditures	<u>8,437,298</u>	<u>9,959,343</u>	<u>9,739,627</u>	<u>(219,716)</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>(541,654)</u>	<u>(1,175,023)</u>	<u>(596,150)</u>	<u>578,873</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	1,500	1,500	240	(1,260)
Transfers in	1,600,000	1,600,000	1,600,000	-
Transfers out	<u>(1,024,000)</u>	<u>(1,024,000)</u>	<u>(1,024,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>577,500</u>	<u>577,500</u>	<u>576,240</u>	<u>(1,260)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 35,846</u>	<u>(597,523)</u>	<u>(19,910)</u>	<u>577,613</u>
FUND BALANCE, JULY 1			<u>9,005,269</u>	
FUND BALANCE, JUNE 30			<u>\$ 8,985,359</u>	

CITY OF UNION, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - PARK FUND - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Taxes	\$ 285,500	285,500	293,194	7,694
Charges for services	242,400	255,720	255,816	96
Donations	-	-	2,575	2,575
Intergovernmental	295,750	295,750	276,249	(19,501)
Investment income	15,850	864	1,068	204
Miscellaneous	13,000	13,000	26,374	13,374
Total Revenues	<u>852,500</u>	<u>850,834</u>	<u>855,276</u>	<u>4,442</u>
EXPENDITURES				
Current:				
Culture and recreation	1,095,390	1,138,269	987,503	(150,766)
Capital outlay	466,702	529,173	487,759	(41,414)
Debt service:				
Principal	210,000	210,000	210,000	-
Interest and fiscal charges	101,665	103,414	103,392	(22)
Total Expenditures	<u>1,873,757</u>	<u>1,980,856</u>	<u>1,788,654</u>	<u>(192,202)</u>
REVENUES UNDER EXPENDI- TURES	(1,021,257)	(1,130,022)	(933,378)	196,644
OTHER FINANCING SOURCES				
Transfers in	<u>1,024,000</u>	<u>1,024,000</u>	<u>1,024,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 2,743</u>	<u>(106,022)</u>	90,622	<u>196,644</u>
FUND BALANCE, JULY 1			<u>(2,511,602)</u>	
FUND BALANCE, JUNE 30			<u>\$ (2,420,980)</u>	

CITY OF UNION, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -
TRANSPORTATION TAX FUND - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Taxes	\$ 962,750	962,750	998,242	35,492
Investment income	14,000	12,412	12,412	-
Total Revenues	<u>976,750</u>	<u>975,162</u>	<u>1,010,654</u>	<u>35,492</u>
OTHER FINANCING USES				
Transfers out	<u>(1,600,000)</u>	<u>(1,600,000)</u>	<u>(1,600,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (623,250)</u></u>	<u><u>(624,838)</u></u>	<u>(589,346)</u>	<u><u>35,492</u></u>
FUND BALANCE, JULY 1			<u>1,360,116</u>	
FUND BALANCE, JUNE 30			<u><u>\$ 770,770</u></u>	

**CITY OF UNION, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - NOTES TO
SCHEDULES OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

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 for Enterprise Funds which include capital outlay as an expense.
- d. Current year budget includes amendments.
- e. Budget amendments at the department level must be approved by the Board of Aldermen. The City Administrator may authorize transfers of appropriations within a department.

CITY OF UNION, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF CHANGES
IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
FOR THE YEARS ENDED JUNE 30

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability				
Service cost	\$ 327,121	317,486	305,585	305,969
Interest on the total pension liability	1,139,634	1,088,258	983,372	965,923
Difference between expected and actual experience	405,080	(172,565)	(319)	(634,560)
Changes of assumptions	-	-	633,616	-
Benefit payments, including refunds	(519,874)	(538,368)	(426,370)	(367,586)
Net Change In Total Pension Liability	<u>1,351,961</u>	<u>694,811</u>	<u>1,495,884</u>	<u>269,746</u>
 Total Pension Liability Beginning	 <u>15,813,786</u>	 <u>15,118,975</u>	 <u>13,623,091</u>	 <u>13,353,345</u>
 Total Pension Liability Ending (a)	 <u><u>\$ 17,165,747</u></u>	 <u><u>15,813,786</u></u>	 <u><u>15,118,975</u></u>	 <u><u>13,623,091</u></u>
 Plan Fiduciary Net Position				
Contributions - employer	\$ 350,170	335,524	361,369	378,656
Net investment income	2,115,514	1,913,224	(45,247)	287,873
Benefit payments, including refunds	(519,874)	(538,368)	(426,370)	(367,586)
Administrative expense	(11,609)	(11,126)	(10,264)	(10,719)
Other	(90,243)	28,433	215,352	142,869
Net Change In Plan Fiduciary Net Position	<u>1,843,958</u>	<u>1,727,687</u>	<u>94,840</u>	<u>431,093</u>
 Plan Fiduciary Net Position Beginning	 <u>17,129,624</u>	 <u>15,401,937</u>	 <u>15,307,097</u>	 <u>14,876,004</u>
 Plan Fiduciary Net Position Ending (b)	 <u><u>\$ 18,973,582</u></u>	 <u><u>17,129,624</u></u>	 <u><u>15,401,937</u></u>	 <u><u>15,307,097</u></u>
 Net Pension Liability (Asset) (a)-(b)	 <u><u>\$ (1,807,835)</u></u>	 <u><u>(1,315,838)</u></u>	 <u><u>(282,962)</u></u>	 <u><u>(1,684,006)</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 110.53 %	 108.32	 101.87	 112.36
 Covered Payroll (for February 28/29 Valuation)	 \$ 3,146,277	 2,750,188	 2,771,165	 2,607,956
 Net Pension Liability (Asset) as a Percentage of Covered Payroll	 (57.46) %	 (47.85)	 (10.21)	 (64.57)

Notes:

Information is not available for fiscal years prior to 2015.

Schedule intended to show information for ten years, additional years' information will be displayed as it becomes available.

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

	For The Years Ended June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined pension contribution	\$ 350,171	335,524	361,447	384,790	403,502	416,029	389,084	387,348	269,351	252,932
Contributions in relation to the actuarially determined contribution	350,171	335,524	361,447	378,579	381,806	342,729	320,182	291,608	266,429	252,932
Contribution Deficiency (Excess)	\$ -	-	-	6,211	21,696	73,300	68,902	95,740	2,922	-
Covered Payroll	\$ 3,182,558	2,925,672	2,750,146	2,589,507	2,610,079	2,509,187	2,530,307	2,504,645	2,502,921	2,314,770
Contributions as a percentage of Covered Payroll	11.00 %	11.47	13.14	14.62	14.63	13.66	12.65	11.64	10.64	10.93

Notes to schedule:

Valuation date:

Actuarially determined contribution rates are calculated as of February 28/29 prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method
Amortization method

Entry age normal and modified terminal funding
A level percentage of payroll amortization method is used to amortize the UAAL over closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period or (ii) 15 years

Multiple bases from 13 to 15 years
5 years smoothed market; 20% corridor
3.25% wage inflation; 2.50% price inflation
3.25% to 6.55%; including wage inflation
7.25%, net of investment expenses

Experience-based table of rates that are specific to the type of eligibility condition
The healthy retiree mortality tables for post-retirement mortality were the RP - 2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables for post-retirement mortality were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees' mortality tables for males and females. Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Other information:

There were no benefit changes during the year.

OTHER SUPPLEMENTAL INFORMATION SECTION

CITY OF UNION, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - COMBINING
BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	Special Revenue		
	Cemetery	Stormwater	
	Fund	Management	Total
	Fund	Fund	
ASSETS			
Cash and investments	\$ 85,135	64	85,199
LIABILITIES AND FUND BALANCES			
Liabilities	\$ -	-	-
Fund Balances			
Restricted	85,135	64	85,199
Total Liabilities And Fund Balances	\$ 85,135	64	85,199

CITY OF UNION, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - COMBINING
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Special Revenue</u>		
	<u>Cemetery</u>	<u>Stormwater</u>	
	<u>Fund</u>	<u>Management</u>	<u>Total</u>
	<u>Fund</u>	<u>Fund</u>	
REVENUES			
Investment income	\$ 1,090	1	1,091
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER EXPENDITURES	1,090	1	1,091
OTHER FINANCING SOURCE			
Sale of capital assets	<u>240</u>	<u>-</u>	<u>240</u>
NET CHANGES IN FUND BALANCES	1,330	1	1,331
FUND BALANCES, JULY 1	<u>83,805</u>	<u>63</u>	<u>83,868</u>
FUND BALANCES, JUNE 30	<u>\$ 85,135</u>	<u>64</u>	<u>85,199</u>

CITY OF UNION, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -
CEMETERY FUND - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES				
Investment income	\$ 950	950	1,090	140
OTHER FINANCING SOURCE				
Sale of capital assets	<u>-</u>	<u>240</u>	<u>240</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 950</u>	<u>1,190</u>	<u>1,330</u>	<u>140</u>
FUND BALANCE, JULY 1			<u>83,805</u>	
FUND BALANCE, JUNE 30			<u>\$ 85,135</u>	

CITY OF UNION, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -
STORMWATER MANAGEMENT FUND - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES				
Investment income	\$ 150	1	1	-
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 150</u>	<u>1</u>	1	<u>-</u>
FUND BALANCE, JULY 1			<u>63</u>	
FUND BALANCE, JUNE 30			<u>\$ 64</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
OPERATING REVENUES				
Charges for services:				
Water	\$ 1,098,000	1,144,339	1,237,721	93,382
Sewer	810,000	810,000	891,456	81,456
Total Operating Revenues	<u>1,908,000</u>	<u>1,954,339</u>	<u>2,129,177</u>	<u>174,838</u>
OPERATING EXPENSES				
Depreciation	-	742,952	742,952	-
Water	1,119,992	1,132,684	759,113	(373,571)
Sewer	1,353,685	1,370,687	874,069	(496,618)
Total Operating Expenses	<u>2,473,677</u>	<u>3,246,323</u>	<u>2,376,134</u>	<u>(870,189)</u>
OPERATING LOSS	<u>(565,677)</u>	<u>(1,291,984)</u>	<u>(246,957)</u>	<u>1,045,027</u>
NONOPERATING REVENUES (EXPENSES)				
Taxes	962,750	962,750	998,241	35,491
Investment income	39,400	39,400	45,071	5,671
Intergovernmental	67,249	44,528	44,528	-
Miscellaneous	42,000	30,416	30,419	3
Bond issuance costs	-	(62,502)	(62,502)	-
Interest expense and fiscal charges	(218,422)	(237,586)	(199,598)	(37,988)
Total Nonoperating Revenues (Expenses)	<u>892,977</u>	<u>777,006</u>	<u>856,159</u>	<u>79,153</u>
CHANGE IN NET POSITION	<u>\$ 327,300</u>	<u>(514,978)</u>	609,202	<u>1,124,180</u>
NET POSITION, JULY 1			<u>23,725,828</u>	
NET POSITION, JUNE 30			<u>\$ 24,335,030</u>	

CITY OF UNION, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - STATEMENT OF
CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Balance June 30 2017	Additions	Deductions	Balance June 30 2018
POLICE EVIDENCE ACCOUNT				
ASSETS				
Cash	\$ 45,788	400	23,000	23,188
LIABILITIES				
Due to others	\$ 45,788	400	23,000	23,188
 DONATIONS - VETERANS MEMORIAL				
ASSETS				
Cash	\$ 21,566	-	21,566	-
LIABILITIES				
Due to others	\$ 21,566	-	21,566	-
 TOTAL				
ASSETS				
Cash	\$ 67,354	400	44,566	23,188
LIABILITIES				
Due to others	\$ 67,354	400	44,566	23,188

SECTION III
STATISTICAL INFORMATION SECTION

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

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.	68 - 73
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	74 - 80
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.	81 - 83
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.	84 - 85
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.	86 - 89
Bond Annual Report	
These schedules contain information regarding City finances, the water and sewer system, and the debt of the City.	90 - 91

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

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

	June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental Activities										
Net investment in capital assets	\$30,856,813	28,576,778	27,869,962	23,457,748	21,635,231	19,463,972	18,304,918	17,653,232	16,321,346	14,001,754
Restricted	2,290,798	1,443,921	1,631,227	1,590,863	1,379,599	1,479,671	1,359,364	1,191,705	1,531,227	1,947,624
Unrestricted	6,478,365	7,931,830	7,147,545	9,802,932	8,041,078	7,857,748	7,198,153	6,525,788	6,121,098	5,699,764
Total Governmental Activities Net Position	<u>\$ 39,625,976</u>	<u>37,952,529</u>	<u>36,648,734</u>	<u>34,851,543</u>	<u>31,055,908</u>	<u>28,801,391</u>	<u>26,862,435</u>	<u>25,370,725</u>	<u>23,973,671</u>	<u>21,649,142</u>
Business-type Activities										
Net investment in capital assets	\$17,378,212	17,258,929	17,346,106	16,730,302	16,683,541	16,789,109	16,858,850	17,347,435	16,395,600	15,633,177
Restricted	1,508,481	1,432,581	1,423,415	1,340,360	1,241,400	1,192,258	1,566,063	1,604,313	916,044	1,215,391
Unrestricted	5,448,337	5,034,318	4,247,784	4,375,578	3,668,023	3,582,049	2,876,798	1,707,939	1,406,527	881,091
Total Business-type Activities Net Position	<u>\$ 24,335,030</u>	<u>23,725,828</u>	<u>23,017,305</u>	<u>22,446,240</u>	<u>21,592,964</u>	<u>21,563,416</u>	<u>21,301,711</u>	<u>20,659,687</u>	<u>18,718,171</u>	<u>17,729,659</u>
Primary Government										
Net investment in capital assets	\$48,235,025	45,835,707	45,216,068	40,188,050	38,318,772	36,253,081	35,163,768	35,000,667	32,716,946	29,634,931
Restricted	3,799,279	2,876,502	3,054,642	2,931,223	2,620,999	2,671,929	2,925,427	2,796,018	2,447,271	3,163,015
Unrestricted	11,926,702	12,966,148	11,395,329	14,178,510	11,709,101	11,439,797	10,074,951	8,233,727	7,527,625	6,580,855
Total Primary Government Net Position	<u>\$ 63,961,006</u>	<u>61,678,357</u>	<u>59,666,039</u>	<u>57,297,783</u>	<u>52,648,872</u>	<u>50,364,807</u>	<u>48,164,146</u>	<u>46,030,412</u>	<u>42,691,842</u>	<u>39,378,801</u>

Source: Basic financial statements.

For fiscal year 2011 GASB 54 was implemented.

GASB 63 and 65 were implemented in 2013.

GASB 68 implemented in 2015.

2018 began reporting amounts restricted for pension.

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

	For The Years Ended June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
EXPENSES										
Governmental Activities										
General government	\$ 2,457,685	2,448,423	1,893,711	1,716,889	1,850,323	1,728,837	1,750,622	1,704,662	1,570,872	1,512,762
Public safety	1,784,002	1,662,628	1,595,776	1,504,173	1,537,825	1,506,263	1,472,750	1,439,221	1,449,950	1,495,039
Street department	1,917,288	1,796,693	1,686,000	1,715,515	1,780,407	1,432,954	1,454,059	1,408,636	1,229,372	1,696,109
Refuse collection and other	768,487	731,434	699,791	692,069	719,926	685,319	654,684	629,811	592,645	512,651
Culture and recreation	1,121,841	954,488	953,042	860,273	770,646	783,062	815,708	806,043	769,928	748,890
Planning and development	1,075,965	556,386	424,833	307,401	327,350	443,223	424,311	467,831	438,776	405,875
Building maintenance	149,756	167,907	142,412	128,228	93,606	91,195	88,191	98,971	89,991	100,942
Interest and fiscal charges	100,566	106,936	115,633	148,166	-	-	-	-	27,938	327,304
Total Governmental Activities Expenses	9,375,590	8,424,895	7,511,198	7,072,714	7,080,083	6,670,853	6,660,325	6,555,175	6,169,472	6,799,572
Business-type Activities										
Water/sewer	2,638,234	2,461,730	2,440,268	2,378,160	2,336,858	2,443,427	2,377,714	2,074,655	1,911,378	1,994,739
Total Primary Government Expenses	12,013,824	10,886,625	9,951,466	9,450,874	9,416,941	9,114,280	9,038,039	8,629,830	8,080,850	8,794,311
PROGRAM REVENUES										
Governmental Activities										
Charges for services:										
General government	224,021	180,656	259,327	166,000	122,774	130,513	118,259	101,071	129,462	104,800
Public safety	298,539	276,501	189,185	209,644	254,751	220,525	252,748	233,018	192,358	179,989
Street department	19,798	21,748	21,991	11,379	12,574	11,500	274	-	5,105	642
Refuse collection and other	781,762	749,329	717,605	709,069	736,780	702,390	667,132	643,247	603,578	499,050
Culture and recreation	267,150	202,641	200,141	178,943	175,487	190,601	228,111	226,439	217,506	213,116
Planning and development	8,161	1,356	50	125	1,659	7,139	1,397	70	711	16,272
Operating grants and contributions	1,147,550	656,919	439,634	422,298	415,010	446,878	360,839	354,900	383,815	426,906
Capital grants and contributions	1,664,075	1,011,854	1,484,603	1,093,648	1,318,271	1,027,181	540,529	1,480,900	1,198,805	508,810
Total Governmental Activities Program Revenues	4,411,056	3,101,004	3,312,536	2,791,106	3,037,306	2,736,727	2,169,289	3,039,645	2,731,340	1,949,585
Business-type Activities										
Charges for services:										
Water/sewer	2,129,177	1,926,207	1,923,603	1,857,564	1,856,495	1,874,208	1,878,594	1,808,937	1,783,723	1,810,401
Capital grants and contributions	-	-	-	127,036	-	-	97,081	693,237	229,045	58,120
Total Business-type Activities Program Revenues	2,129,177	1,926,207	1,923,603	1,984,600	1,856,495	1,874,208	1,975,675	2,502,174	2,012,768	1,868,521
Total Primary Government Program Revenues	6,540,233	5,027,211	5,236,139	4,775,706	4,893,801	4,610,935	4,144,964	5,541,819	4,744,108	3,818,106

(Continued)

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

	For The Years Ended June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
NET REVENUES (EXPENSES)										
Governmental activities	(4,964,534)	(5,323,891)	(4,281,608)	(4,281,608)	(4,042,777)	(3,934,126)	(4,491,036)	(3,515,530)	(3,438,132)	(4,849,987)
Business-type activities	(509,057)	(535,523)	(393,560)	(393,560)	(480,363)	(569,219)	(402,039)	427,519	101,390	(126,218)
Total Primary Government Net Revenues (Expenses)	(5,473,591)	(5,859,414)	(4,675,168)	(4,675,168)	(4,523,140)	(4,503,345)	(4,893,075)	(3,088,011)	(3,336,742)	(4,976,205)
GENERAL REVENUES AND OTHER										
CHANGE IN NET POSITION										
Governmental Activities										
Taxes:										
Sales	2,994,725	2,875,083	2,831,617	2,755,362	2,608,141	2,480,898	2,480,898	2,402,085	2,327,690	2,378,862
Property	1,281,140	1,204,468	1,148,240	1,147,858	1,115,757	1,100,576	1,100,576	1,073,319	1,056,084	1,007,328
Franchise	1,779,831	1,628,176	1,576,331	1,596,160	1,632,039	1,579,086	1,579,086	1,472,202	1,338,241	1,215,314
Other	410,668	417,449	233,666	462,647	294,420	496,310	496,310	222,428	275,591	384,789
Investment income	126,383	124,055	170,785	133,627	103,809	127,053	127,053	125,950	139,420	196,484
Grants and contributions not restricted to specific programs	-	347,091	-	-	-	-	-	-	-	-
Gain on sale of capital assets	240	12,503	11,525	131,975	1,225	64,840	64,840	108,083	1,625	94,746
Rental income	-	-	-	-	-	-	-	-	-	71,911
Miscellaneous	44,994	18,861	23,689	352,098	16,259	24,319	24,319	31,153	624,010	454,700
Transfers	-	-	-	-	525,644	-	-	-	-	(338,600)
Total Governmental Activities General Revenues And Other Change In Net Position	6,637,981	6,627,686	5,995,853	6,579,727	6,297,294	5,873,082	5,873,082	5,435,220	5,762,661	5,465,534
Business-type Activities										
Sales taxes	998,241	958,372	943,861	918,393	869,029	826,940	826,940	800,671	775,930	792,580
Investment income	45,071	40,008	38,377	53,942	58,322	69,261	69,261	92,604	46,675	45,092
Grants and contributions not restricted to specific programs	44,528	73,459	68,295	70,092	71,450	79,655	81,308	41,430	-	-
Miscellaneous	30,419	172,207	37,197	43,252	36,754	55,006	60,423	56,656	64,517	29,317
Transfers	-	-	-	-	(525,644)	-	-	-	-	338,600
Total Business-type Activities General Revenues And Other Change In Net Position	1,118,259	1,244,046	1,087,730	1,085,679	509,911	1,030,862	1,037,932	991,361	887,122	1,205,589
Total Primary Government General Revenues And Other Change In Net Position	7,756,240	7,871,732	7,083,583	7,665,406	6,807,205	6,903,944	6,911,014	6,426,581	6,649,783	6,671,123
CHANGE IN NET POSITION										
Governmental activities	1,673,447	1,303,795	1,797,191	2,298,119	2,254,517	1,938,956	1,382,046	1,919,690	2,324,529	615,547
Business-type activities	609,202	708,523	571,065	692,119	29,548	461,643	635,893	1,418,880	988,512	1,079,371
Total Primary Government	\$ 2,282,649	2,012,318	2,368,256	2,990,238	2,284,065	2,400,599	2,017,939	3,338,570	3,313,041	1,694,918

Source: Basic financial statements.

For fiscal year 2011 GASB 54 was implemented.

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

		June 30									
		2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Fund											
Reserved	\$	-	-	-	-	-	-	-	-	131,912	144,600
Unreserved		-	-	-	-	-	-	-	-	6,000,991	5,529,031
Nonspendable		2,531,533	2,619,560	2,133,664	105,016	100,613	89,764	89,500	100,000	-	-
Committed		3,524,000	2,472,000	3,288,500	3,002,000	2,511,326	2,218,000	3,211,500	2,615,000	-	-
Assigned		246,901	-	-	4,793,000	4,720,000	4,700,000	3,350,000	3,250,000	-	-
Unassigned		2,682,925	3,913,709	2,885,761	359,739	868,993	978,148	606,003	602,675	-	-
Total General Fund		\$ 8,985,359	9,005,269	8,307,925	8,259,755	8,200,932	7,985,912	7,257,003	6,567,675	6,132,903	5,673,631
Park Fund											
Reserved	\$	-	-	-	-	-	-	-	-	33,662	28,355
Unreserved		-	-	-	-	-	-	-	-	23,986	491,344
Nonspendable		40,000	40,000	40,000	30,000	35,000	37,500	37,500	35,000	-	-
Restricted		1,099	4,166	-	3,527,955	-	-	-	-	-	-
Assigned		-	-	2,748,239	193,419	88,378	263,916	263,091	178,446	-	-
Unassigned		(2,462,079)	(2,555,768)	(2,606,656)	-	-	-	-	-	-	-
Total Park Fund		\$ (2,420,980)	(2,511,602)	181,583	3,751,374	123,378	301,416	300,591	213,446	57,648	519,699
Transportation Tax Fund											
Unreserved	\$	-	-	-	-	-	-	-	-	725,344	684,254
Restricted		770,770	1,360,116	1,355,745	1,272,245	1,160,530	1,078,727	987,060	842,110	-	-
Total Transportation Tax Fund		\$ 770,770	1,360,116	1,355,745	1,272,245	1,160,530	1,078,727	987,060	842,110	725,344	684,254
2006B Certificates Of Participation Fund											
Reserved	\$	-	-	-	-	-	-	-	-	227,502	227,500
Unreserved		-	-	-	-	-	-	-	-	295,134	297,984
Total 2006B Certificates Of Participation Fund		\$ -	-	-	-	-	-	-	-	522,636	525,484
All Other Governmental Funds											
Unreserved, reported in:											
Special Revenue Funds	\$	-	-	-	-	-	-	-	-	145,703	140,352
Debt Service Funds		-	-	-	-	-	-	-	-	79,896	77,835
Restricted		85,199	83,868	82,082	80,601	76,899	74,714	71,713	136,149	-	-
Unassigned		-	-	-	-	(4,578)	(4,578)	(4,578)	-	-	-
Total All Other Governmental Funds		\$ 85,199	83,868	82,082	80,601	72,321	70,136	67,135	136,149	225,599	218,187

Source: Basic financial statements.

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

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

For The Years Ended June 30										
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
REVENUES										
Taxes	\$ 6,870,017	6,542,095	6,207,414	6,378,772	6,059,868	6,033,921	5,628,461	5,429,442	5,324,980	5,265,651
Fines and forfeitures	96,320	90,781	83,210	103,705	128,137	139,622	167,352	145,259	112,758	111,930
Licenses and permits	200,308	152,841	235,599	135,898	99,252	106,492	96,899	80,384	90,640	102,739
Charges for services	1,216,107	1,100,971	1,000,227	969,521	1,006,397	939,849	944,377	918,383	865,901	759,292
Intergovernmental	2,367,375	1,042,784	1,357,442	751,876	1,111,810	1,079,341	561,638	583,357	1,124,971	461,186
Donations	2,575	203,650	-	-	-	-	-	-	-	-
Investment income	126,383	124,055	170,785	133,627	103,809	127,053	122,852	125,950	139,420	196,484
Rental income	23,557	27,815	23,160	29,860	22,970	23,905	21,360	20,421	36,701	71,911
Miscellaneous	107,856	199,425	74,267	386,611	52,555	76,690	465,267	63,106	659,360	514,586
Total Revenues	11,010,498	9,484,417	9,152,104	8,889,870	8,584,798	8,526,873	8,008,206	7,366,302	8,354,731	7,483,779
EXPENDITURES										
General government	2,961,013	2,396,347	2,000,320	1,979,958	2,515,187	1,685,363	1,850,752	1,652,222	1,570,176	1,506,064
Public safety	1,686,851	1,593,685	1,520,661	1,454,805	1,474,488	1,432,260	1,360,128	1,336,848	1,363,023	1,429,339
Street department	673,751	758,896	552,595	1,031,489	1,025,890	595,350	1,115,223	923,210	720,193	600,529
Refuse collection and other	768,487	731,434	699,791	692,069	719,926	685,319	654,684	629,811	592,645	512,651
Culture and recreation	987,503	904,581	736,231	841,190	673,652	654,695	706,866	690,242	682,274	1,803,051
Planning and development	1,045,819	540,982	334,864	283,981	303,949	295,725	277,659	309,874	285,952	253,080
Building maintenance	72,645	90,268	76,988	72,254	65,589	70,629	72,213	75,025	72,569	80,988
Stormwater management	-	4,392,413	-	-	-	-	71,602	14,777	-	-
Capital outlay	3,018,820	-	6,363,839	2,366,375	2,213,241	2,349,780	1,175,516	1,226,190	1,905,086	1,788,263
Debt service:										
Principal	210,000	205,000	185,000	-	-	-	-	-	1,095,250	1,795,000
Interest and fiscal charges	103,392	110,115	130,505	-	-	-	-	-	27,938	66,319
Bond issuance costs	-	-	-	85,635	-	-	-	-	-	-
Total Expenditures	11,528,281	11,723,721	12,600,794	8,807,756	8,991,922	7,769,121	7,284,643	6,858,199	8,315,106	9,835,284
REVENUES OVER (UNDER) EXPENDITURES										
	(517,783)	(2,239,304)	(3,448,690)	82,114	(407,124)	757,752	723,563	508,103	39,625	(2,351,505)
OTHER FINANCING SOURCES (USES)										
Sale of capital assets	480	33,100	12,050	134,700	2,450	66,650	128,846	109,783	3,250	95,846
Other reimbursement	-	216,520	-	-	-	-	-	-	-	-
Note payable	-	-	-	-	-	-	-	-	-	1,095,250
Issuance of certificates of participation	-	-	-	3,590,000	-	-	-	-	-	-
Transfers in	2,624,000	1,654,050	1,508,500	1,736,826	1,920,847	1,068,000	1,016,500	1,015,000	1,069,500	2,734,829
Transfers out	(2,624,000)	(1,654,050)	(1,508,500)	(1,736,826)	(1,395,203)	(1,068,000)	(1,016,500)	(1,015,000)	(1,069,500)	(3,073,429)
Total Other Financing Sources (Uses)	480	249,620	12,050	3,724,700	528,094	66,650	128,846	109,783	3,250	852,496
NET CHANGES IN FUND BALANCES										
	\$ (517,303)	(1,989,684)	(3,436,640)	3,806,814	120,970	824,402	852,409	617,886	42,875	(1,499,009)
Debt service as a percentage of noncapital expenditures	3.96 %	4.53	5.00	N/A	N/A	N/A	N/A	N/A	13.5	25.1

Source: Basic financial statements.

For fiscal year 2011 GASB 54 was implemented.

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

FUNCTIONS/PROGRAMS	June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Primary Government										
Governmental Activities										
General government	\$ 224,021	180,656	259,327	166,000	122,774	130,513	118,259	101,071	129,462	104,800
Public safety	322,500	311,594	189,185	236,155	290,362	295,310	273,857	286,204	295,769	369,044
Street department	1,811,874	1,221,644	21,991	1,475,359	1,710,244	1,402,786	880,533	1,778,114	1,482,449	722,870
Refuse collection and other	781,762	749,329	717,605	709,069	736,780	702,390	667,132	643,247	603,578	499,050
Culture and recreation	550,649	425,792	200,141	204,398	175,487	201,589	228,111	230,939	219,371	237,549
Planning and development	720,250	211,989	50	125	1,659	7,139	1,397	70	711	16,272
Total Governmental Activities	4,411,056	3,101,004	1,388,299	2,791,106	3,037,306	2,739,727	2,169,289	3,039,645	2,731,340	1,949,585
Business-type Activities										
Water/sewer	2,129,177	1,926,207	1,923,603	1,984,600	1,856,495	1,874,208	1,975,675	2,502,174	2,012,768	1,868,521
Total Primary Government	<u>\$ 6,540,233</u>	<u>5,027,211</u>	<u>3,311,902</u>	<u>4,775,706</u>	<u>4,893,801</u>	<u>4,613,935</u>	<u>4,144,964</u>	<u>5,541,819</u>	<u>4,744,108</u>	<u>3,818,106</u>

Source: Basic financial statements.

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

Fiscal Year	Sales Taxes	Property Taxes	Franchise Taxes	Other Taxes	Total
2018	\$ 2,994,725	\$ 1,273,293	\$ 1,779,831	\$ 822,168	\$ 6,870,017
2017	2,875,083	1,210,194	1,628,176	828,642	6,542,095
2016	2,875,083	1,210,194	1,628,176	828,642	6,542,095
2015	2,831,617	1,163,808	1,576,331	635,658	6,207,414
2014	2,755,362	1,168,816	1,596,160	858,434	6,378,772
2013	2,608,141	1,145,869	1,632,039	673,819	6,059,868
2012	2,480,898	1,477,627	1,579,086	496,310	6,033,921
2011	2,492,053	1,062,033	1,473,767	600,608	5,628,461
2010	2,402,085	1,035,513	1,472,202	519,642	5,429,442
2009	2,327,690	1,090,725	1,338,241	568,324	5,324,980

Source: Required supplemental information and basic financial statements.

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

Fiscal Year	Calendar Year	Real Estate			Personal Property		Assessed Value	Estimated Actual Value
		Residential Property	Commercial Property	Agricultural Property	Assessed Value	Estimated Actual Value		
2018	2017	\$ 85,643,159	\$ 52,990,237	\$ 1,487,812	\$ 140,121,208	\$ 628,746,392	\$ 37,594,034	\$ 125,313,447
2017	2016	79,002,791	51,589,269	1,578,735	132,170,795	590,176,754	34,096,314	113,654,380
2016	2015	77,983,393	48,847,762	1,752,664	128,583,819	577,693,700	32,313,830	107,712,767
2015	2014	76,966,596	51,658,063	1,685,829	130,310,488	580,567,369	31,789,145	105,963,817
2014	2013	75,746,784	51,827,926	1,748,840	129,323,550	575,203,220	30,683,386	102,277,953
2013	2012	80,476,030	53,340,027	1,489,762	135,305,819	602,660,320	29,236,561	97,455,203
2012	2011	79,389,683	52,131,019	1,516,901	133,037,603	593,390,713	28,921,814	86,765,442
2011	2010	79,960,246	53,557,035	1,559,335	135,076,616	601,203,593	26,400,183	79,200,549
2010	2009	78,452,987	50,862,259	1,546,562	130,861,808	584,742,034	28,169,432	84,508,296
2009	2008	77,384,338	49,068,689	1,435,266	127,888,293	572,586,193	28,549,025	85,647,075

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		
2018	2017	\$ 4,945,066	\$ 15,392,940	\$ 182,660,308	\$ 769,452,779	0.7230	23.7 %
2017	2016	5,684,278	18,389,586	171,951,387	722,220,720	0.7230	23.8
2016	2015	6,126,315	18,968,876	167,023,964	704,375,343	0.7210	23.7
2015	2014	5,818,945	20,082,985	167,918,578	706,614,171	0.7020	23.8
2014	2013	6,521,584	22,345,194	166,528,520	699,826,367	0.7000	23.8
2013	2012	5,745,131	17,802,475	170,287,511	717,917,998	0.6707	23.7
2012	2011	5,332,187	16,527,233	167,291,604	696,683,388	0.6683	24.0
2011	2010	4,668,891	14,458,562	166,145,690	694,862,704	0.6559	23.9
2010	2009	5,370,843	16,644,781	164,402,083	685,895,111	0.6500	24.0
2009	2008	4,382,683	13,562,416	160,820,001	671,795,684	0.6390	23.9

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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
City of Union:										
General Fund	0.583	0.583	0.581	0.566	0.564	0.541	0.538	0.529	0.524	0.515
Union Park Fund	0.140	0.140	0.140	0.136	0.136	0.130	0.130	0.127	0.126	0.124
Total City Of Union	0.723	0.723	0.721	0.702	0.700	0.671	0.668	0.656	0.650	0.639
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	0.921	0.921	0.919	0.939	0.941	0.903	0.910	0.090	0.881	0.884
Union Fire Protection District	0.129	0.125	0.124	0.130	0.138	0.130	0.273	0.269	0.269	0.269
Union Ambulance District	0.021	0.046	0.179	0.177	0.177	0.168	0.168	0.165	0.165	0.166
Union School District	3.840	3.840	3.750	3.750	3.750	3.750	3.750	3.700	3.700	3.700
East Central College	0.454	0.454	0.454	0.454	0.454	0.440	0.439	0.433	0.433	0.435
The Franklin County Library District	0.201	0.201	0.201	0.201	0.083	0.078	0.078	0.076	0.076	0.092

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

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

Taxpayer	2018			2010		
	Taxable Assessed Valuation	Rank	Percentage Of Total City Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage Of Total City Taxable Assessed Value
LSC Communications US LLC	\$ 3,164,260	1	1.73 %	\$ -	-	%
Stoneridge Rentals LLC	1,610,091	2	0.88	-	-	
Crystal MO	1,370,595	3	0.75	-	-	
MO Natural Gas	1,369,888	4	0.75	734,410	9	0.45
Earle M Jorgensen Company	1,339,520	5	0.73	-	-	
Walmart	1,328,000	6	0.73	1,904,742	2	1.16
Black Creek Corporation	1,188,787	7	0.65	864,783	7	0.53
Silgan Plastic Food Container	1,070,720	8	0.59	1,161,894	3	0.71
Meramec Valley Development	1,051,200	9	0.58	-	-	
Union Housing Corporation	1,019,160	10	0.56	1,140,336	4	0.69
Esselte Business Corporation	-		-	3,812,169	1	2.32
MHB LLC	-		-	1,113,712	5	0.68
United Bank of Union	-		-	919,566	6	0.56
Bequette Properties LLC	-		-	796,176	8	0.48
Franklin Co Medical Outreach	-		-	696,304	10	0.42
Total	<u>\$ 14,512,221</u>		<u>7.95 %</u>	<u>\$ 13,144,092</u>		<u>8.00 %</u>

Source: Franklin County IT Department - Information not available prior to 2010.

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
2018	2017	\$ 1,291,633	\$ 1,249,922	96.8 %	\$ 25,344	\$ 1,275,266	98.7 %	\$ 41,711	3.23 %
2017	2016	1,211,127	1,179,772	97.4	28,678	1,208,450	99.8	31,355	2.59
2016	2015	1,166,002	1,070,309	91.8	33,033	1,103,342	94.6	95,693	8.21
2015	2014	1,149,427	1,053,733	91.7	40,718	1,094,451	95.2	95,694	8.33
2014	2013	1,121,360	1,079,064	96.2	61,893	1,140,957	101.7	42,296	3.77
2013	2012	1,101,864	1,015,714	92.2	57,210	1,072,924	97.4	86,150	7.82
2012	2011	1,085,033	976,278	90.0	59,212	1,035,490	95.4	108,755	10.02
2011	2010	1,061,052	939,777	88.6	138,001	1,077,778	101.6	121,275	11.43
2010	2009	1,037,528	926,243	89.3	86,171	1,012,414	97.6	111,285	10.73
2009	2008	1,005,337	895,015	89.0	104,438	999,453	99.4	110,322	10.97

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

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

CITY OF UNION, MISSOURI
SALES TAX RATES, DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal Year	City				County	State	State Conservation	State Parks And Soil	Fire District	Ambulance District	Total Direct And Overlapping
	General	Transportation	Water/ Wastewater	Total Direct Rate							
2018	1.0000	0.5000	0.5000	2.0000	1.7500	4.0000	0.1250	0.1000	0.5000	0.5000	8.9750
2017	1.0000	0.5000	0.5000	2.0000	1.7500	4.0000	0.1250	0.1000	0.5000	0.5000	8.9750
2016	1.0000	0.5000	0.5000	2.0000	1.7500	4.0000	0.1250	0.1000	0.5000	0.5000	8.9750
2015	1.0000	0.5000	0.5000	2.0000	1.7500	4.0000	0.1250	0.1000	0.5000	0.5000	8.9750
2014	1.0000	0.5000	0.5000	2.0000	1.7500	4.0000	0.1250	0.1000	0.5000	0.5000	8.9750
2013	1.0000	0.5000	0.5000	2.0000	1.7500	4.0000	0.1250	0.1000	0.5000	0.5000	8.9750
2012	1.0000	0.5000	0.5000	2.0000	1.7500	4.0000	0.1250	0.1000	0.5000	0.5000	8.9750
2011	1.0000	0.5000	0.5000	2.0000	1.7500	4.0000	0.1250	0.1000	0.5000	0.5000	8.9750
2010	1.0000	0.5000	0.5000	2.0000	1.7500	4.0000	0.1250	0.1000	0.5000	0.5000	8.9750
2009	1.0000	0.5000	0.5000	2.0000	1.7500	4.0000	0.1250	0.1000	0.5000	0.5000	8.9750

Source: Missouri Department of Revenue

CITY OF UNION, MISSOURI
SALES/USE TAX REVENUE BY TYPE
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>General</u>	<u>Transportation</u>	<u>Water/ Wastewater</u>	<u>Total</u>
2018	\$ 1,995,966	\$ 997,984	\$ 997,981	\$ 3,991,931
2017	1,916,722	958,361	958,372	3,833,455
2016	1,887,745	943,872	943,861	3,775,478
2015	1,836,909	918,453	918,393	3,673,755
2014	1,738,761	869,380	869,029	3,477,170
2013	1,653,932	826,966	826,940	3,307,838
2012	1,661,368	830,684	830,707	3,322,759
2011	1,601,390	800,695	800,672	3,202,757
2010	1,551,793	775,897	775,930	3,103,620
2009	1,585,908	792,954	792,579	3,171,441
Increase 2009 to 2018	26 %	26 %	26 %	26 %

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	Recovery Zone Bonds			
2018	\$ -	\$ 2,990,000	\$ -	\$ 340,985	\$ 2,495,000	\$ 2,564,500	\$ -	\$ 8,390,485	- %	\$ 766
2017	-	3,200,000	-	410,854	2,745,000	-	2,790,000	9,145,854	-	835
2016	-	3,405,000	-	477,183	2,990,000	-	2,950,000	9,822,183	-	896
2015	-	3,590,000	-	540,156	3,230,000	-	3,105,000	10,465,156	-	989
2014	-	-	-	599,938	3,470,000	-	3,260,000	7,329,938	-	693
2013	-	-	-	656,694	3,670,000	-	3,410,000	7,736,694	-	740
2012	-	-	-	710,576	3,465,000	-	3,560,000	7,735,576	-	758
2011	-	-	-	761,730	3,620,000	-	3,705,000	8,086,730	-	793
2010	-	-	-	810,294	3,770,000	-	-	4,580,294	-	472
2009	14,020	-	1,095,250	856,399	3,910,000	-	-	5,875,669	-	N/A

(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, 2018

Name Of Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share Of Overlapping Debt
East Central College	\$ 12,809,958	11.00 %	\$ 1,409,095
Union School District	27,970,000	45.00	12,586,500
	40,779,958		13,995,595
City direct debt	2,990,000	100.00 %	2,990,000
Total Direct And Overlapping Debt	<u>\$ 37,789,958</u>		<u>\$ 11,005,595</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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Assessed Value	<u>\$ 182,660,308</u>	<u>171,951,387</u>	<u>167,023,964</u>	<u>167,918,578</u>	<u>166,528,520</u>	<u>170,287,511</u>	<u>167,291,604</u>	<u>166,145,690</u>	<u>164,402,083</u>	<u>160,820,001</u>
Debt limit - 10% of total assessed valuation	<u>\$ 18,266,031</u>	<u>17,195,139</u>	<u>16,702,396</u>	<u>16,791,858</u>	<u>16,652,852</u>	<u>17,028,751</u>	<u>16,729,160</u>	<u>16,614,569</u>	<u>16,440,208</u>	<u>16,082,000</u>
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>\$ 18,266,031</u>	<u>17,195,139</u>	<u>16,702,396</u>	<u>16,791,858</u>	<u>16,652,852</u>	<u>17,028,751</u>	<u>16,729,160</u>	<u>16,614,569</u>	<u>16,440,208</u>	<u>16,082,000</u>

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)
2018	11,277	\$ 43,985	N/A	N/A	3,174	4.8 %
2017	11,277	43,380	N/A	N/A	3,037	4.8
2016	10,957	42,315	N/A	N/A	3,107	5.1
2015	10,859	43,532	N/A	N/A	3,118	5.8
2014	10,577	41,452	N/A	N/A	3,075	6.4
2013	10,456	45,871	N/A	\$ 35,811	3,150	7.5
2012	10,258	52,267	N/A	34,762	3,161	8.6
2011	10,204	49,034	N/A	N/A	3,018	10.2
2010	9,714	N/A	N/A	N/A	3,054	10.5
2009	N/A	N/A	N/A	N/A	3,025	9.3

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 NINE YEARS AGO

Employer	2018			2009		
	Employees	Rank	Percent Of Total City Employment	Employees	Rank	Percent Of Total City Employment
Union RXI School District	390	1	14.16 %	384	2	14.83 %
Franklin County Government	371	2	13.47	329	3	12.70
LSC Communications (Tops Slt, Inc.) (Esselte)	338	3	12.27	511	1	19.73
Silgan Plastic Containers	281	4	10.20	209	5	8.07
Wal-Mart Supercenter	230	5	8.35	212	4	8.19
Climate Express	230	6	8.35	-		-
Buddeez (American Plastics)	200	7	7.26	-		-
East Central College	198	8	7.19	202	6	7.80
Pharma Tech Industries	110	9	3.99	75	10	2.90
Gateway Extrusions Ltd	95	10	3.45	-		-
Lozier Store Fixtures (Spartan Showcase)	-		-	122	7	4.71
The Children's Factory	-		-	114	8	4.40
Sunset Health Care	-		-	100	9	3.86
Total	2,443		88.69 %	2,258		87.19 %

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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Administration Department:										
City administrator	1	1	1	1	1	1	1	1	1	1
Administrative assistant	1	1	1	1	1	1	1	1	1	1
City clerk	1	1	1	1	1	1	1	1	1	1
Deputy city clerk/accounting clerk	1	1	1	1	1	1	1	1	1	1
Finance officer	1	1	1	1	1	1	1	1	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
Maintenance - foreman	2	2	1	1	1	1	1	1	1	1
Maintenance	4	4	3	3	3	2	2	2	2	2
Public works department:										
Public works director	1	1	1	1	1	1	1	1	1	1
Street foreman	1	1	1	1	1	1	1	1	1	1
Street field foreman	0	1	1	1	1	1	1	1	1	1
Street laborer II	2	1	1	2	2	4	3	3	3	4
Street laborer III	3	1	1	-	1	-	-	-	-	-
Street equipment operator II	1	4	4	1	1	-	-	-	-	-
Street equipment operator IV	-	-	-	-	-	2	2	2	2	1
Street equipment operator III	1	1	1	4	2	-	1	1	1	1
Street mechanic I	1	1	2	2	2	2	2	2	2	1
Street mechanic II	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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Water/Wastewater Department:										
Water/Wastewater foreman	1	1	1	1	1	1	1	1	1	1
Field foreman	1	1	1	1	1	1	1	1	1	1
Class C operator II	1	1	1	1	1	1	1	1	1	1
Water/Distribution operator	2	2	2	2	3	2	2	2	1	1
Water/Wastewater apprentice	3	3	2	2	2	3	3	3	4	4
Utility billing clerk	1	1	1	1	1	1	1	1	1	1
Accounting clerk	1	1	1	1	1	1	1	1	1	1
Police:										
Police chief	1	1	1	1	1	1	1	1	1	1
Lt. assistant police chief	1	1	1	1	1	1	1	1	1	1
Police sergeant	4	4	4	4	4	4	4	4	4	4
Detective sergeant	1	1	1	1	1	1	1	1	1	-
Detective	2	1	1	1	1	1	1	1	1	2
Corporal	1	1	1	1	1	1	1	1	1	-
School resource officer	5	4	3	3	3	2	2	2	2	2
Parking control officer	1	1	1	1	1	1	1	1	1	1
Patrol officer	8	9	9	9	8	9	9	9	9	10
Police clerks	1	1	1	1	2	2	2	2	2	2
Police Service Technician	1	1	1	1	1	1	1	1	1	1
Municipal Court Department:										
Municipal court clerk	1	1	1	1	1	1	1	1	1	1
Municipal judge	1	1	1	1	1	1	1	1	1	1

Source: City payroll department records

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

FUNCTIONS/PROGRAMS	June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Police - patrol:										
Arrests	926	1,088	824	765	816	1,063	746	787	705	665
Traffic citations	1,509	1,626	1,614	1,354	1,720	1,972	2,141	2,857	1,733	1,573
Crime reports	3,147	3,201	3,110	2,932	3,342	3,418	3,291	3,633	4,034	3,991
Accident reports	437	491	506	466	505	509	447	493	521	520
Public works:										
Road repair - tons of mix	1,498	1,302	1,385	2,004	2,310	1,485	1,858	1,543	1,686	1,453
Traffic control signs serviced	189	235	146	215	232	245	293	202	294	97
Storm sewer grates and lids inspected	1,866	1,032	1,166	1,107	1,080	1,160	1,134	1,130	1,069	921
Parks:										
Acres mowed and maintained	231	231	231	231	187	187	187	187	187	187
Trees and shrubs planted	56	141	-	-	6	-	10	-	8	4
Engineering/building inspection:										
Rezoning applications	5	3	1	1	-	-	1	-	1	3
Building permits issued	393	308	284	289	238	230	197	190	194	147
Water permits issued	199	120	90	108	50	89	74	58	50	42
Sewer permits issued	188	119	86	104	43	82	73	55	48	36
Finance and administration:										
Business licenses issued	658	657	662	648	653	658	667	694	655	583
Payroll checks issued	928	1,263	1,986	4,111	3,952	4,034	4,245	4,002	4,102	4,015
Accounts payable processed	2,194	2,075	2,073	1,996	2,064	2,087	2,209	2,459	2,216	2,598
Requests for public records	15	13	13	9	9	3	2	2	4	3
Liquor licenses issued	61	18	52	17	36	87	57	62	50	46

Source: City records - various departments listed

CITY OF UNION, MISSOURI
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

FUNCTION/PROGRAM	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Marked patrol units	11	11	11	11	11	11	10	10	13	12
Public works:										
Miles of streets	88.88	88.88	88.88	88.88	88.10	88.10	87.96	87.96	87.59	87.10
Traffic lights and signals	-	-	-	-	-	-	1	2	2	2
Miles of sanitary sewer line	78.95	78.95	78.95	78.95	76.80	76.80	76.60	76.28	75.55	74.68
Number of meters	4,664	4,494	4,494	4,402	4,742	4,238	4,161	4,017	3,905	3,975
Miles of water line	86.76	86.76	86.76	86.76	83.92	83.92	83.76	83.74	83.14	82.60
Number of pumping stations	16	16	16	16	16	16	16	15	16	14
Parks and recreation:										
Number of parks	7	7	7	6	5	5	5	5	5	5
Acres of parks	222	222	222	178	178	178	178	178	178	178
Tennis courts	4	4	4	4	4	4	4	4	4	4
Swimming pools	1	1	1	1	1	1	1	1	1	1
Volleyball courts	2	2	2	2	2	2	2	2	2	2
Basketball courts	4	4	4	4	4	4	4	4	4	4
Baseball/softball fields	14	14	14	9	9	9	9	9	9	9
Playgrounds	8	7	5	5	5	5	5	5	5	5
Soccer fields	8	8	8	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.