

City of Union, Missouri Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2017



Photos by Wanda Parsons



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CITY OF UNION, MISSOURI



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2017

CITY OF UNION, MISSOURI

***COMPREHENSIVE ANNUAL
FINANCIAL REPORT***

FOR THE FISCAL YEAR ENDED
JUNE 30, 2017

PREPARED BY THE FINANCE OFFICER

CITY OF UNION, MISSOURI

FINANCIAL REPORT

	Page
SECTION I - INTRODUCTORY SECTION	
Letter of Transmittal	i
Principal Officials	v
Organizational Chart	vi
Certificate of Achievement	vii
 SECTION II - FINANCIAL SECTION	
Independent Auditor's Report	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	15
Statement of Activities	16
Fund Financial Statements:	
Balance Sheet - Governmental Funds	17
Reconciliation of the Balance Sheet of Governmental Funds to the	
Statement of Net Position	18
Statement of Revenues, Expenditures, and Changes in Fund Balances -	
Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in	
Fund Balances of Governmental Funds to the Statement of Activities	20
Statement of Net Position - Proprietary Fund	21
Statement of Revenues, Expenses, and Change in Net Position - Proprietary Fund	22
Statement of Cash Flows - Proprietary Fund	23
Statement of Fiduciary Net Position - Agency Fund	24
Notes to Financial Statements	25
Required Supplemental Information:	
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
General Fund	50
Park Fund - Special Revenue Fund	54
Transportation Tax Fund - Special Revenue Fund	55
Notes to Schedules of Revenues, Expenditures, and Changes in Fund Balances -	
Budget and Actual	56
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios	57
Schedule of Pension Contributions	58
Other Supplemental Information:	
Combining Balance Sheet - Nonmajor Governmental Funds	60
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -	
Nonmajor Governmental Funds	61
Schedules of Revenues, Expenditures, and Change in Fund Balances - Budget and Actual:	
Cemetery Fund - Special Revenue Fund	62
Stormwater Management Fund - Special Revenue Fund	63

CITY OF UNION, MISSOURI

FINANCIAL REPORT

	Page
SECTION II - FINANCIAL SECTION (Continued)	
Other Supplemental Information (Continued):	
Schedule of Revenues, Expenses, and Change in Net Position - Budget and Actual - Proprietary Fund	64
Statement of Changes in Assets and Liabilities - Agency Fund	65
 SECTION III - STATISTICAL INFORMATION SECTION	
Net Position by Component - Last Ten Fiscal Years	67
Change in Net Position - Last Ten Fiscal Years	68
Fund Balances of Governmental Funds - Last Ten Fiscal Years	70
Changes in Fund Balances - Governmental Funds - Last Ten Fiscal Years	71
Program Revenues by Functions/Programs - Last Ten Fiscal Years	72
Tax Revenues by Source - Governmental Funds - Last Ten Fiscal Years	73
Assessed and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	74
Property Tax Rates - Direct and All Overlapping Governments - Last Ten Fiscal Years	75
Principal Taxpayers - Current Year and Seven Years Ago	76
Property Tax Levies and Collections - Last Ten Fiscal Years	77
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	78
Direct and Overlapping Governmental Activities Debt	79
Computation of Legal Debt Margin - Last Ten Fiscal Years	80
Demographic and Economic Statistics - Last Ten Fiscal Years	81
Principal Employers - Current Year and Nine Years Ago	82
Full-time Equivalent City Government Employees by Functions/Programs - Last Ten Fiscal Years	83
Operating Indicators by Functions/Programs - Last Ten Fiscal Years	85
Capital Assets Statistics by Functions/Programs - Last Ten Fiscal Years	86
Bond Annual Report	87

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, 2017

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 U.S. Generally Accepted Accounting Principles (GAAP) and audited in accordance with U.S. generally accepted auditing standards 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, 2017.

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, 2017, 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 unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2017, are fairly presented in conformity with U.S. Generally Accepted Accounting Principles (GAAP). The independent auditors' report is presented as the first component of the financial section of this report.

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

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

Profile of the 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 anticipates continued growth in industrial, residential, and commercial development. During the previous fiscal year, there were 121 permits issued for single family dwellings, 3 new commercial projects, and 1 new industrial project. Most of these projects are expected to be completed and occupied by the end of the calendar year. In addition, there are a significant number of residential projects which are about to break ground. The final roadway within Union Corporate Center will be completed during the upcoming fiscal year. The new roadway will provide access to an additional 60 acres of ground creating additional opportunities for industrial development. Finally, the City is working with a number of retail companies to discuss new locations in the area to promote commercial expansion and development.

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, 2017, the sales tax increased approximately 2.54%. 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 2016-2017, 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 will be completed in Spring of 2018. We opened play grounds and the baseball, soccer fields to the public to play on. The park will be adding another playground and currently installing security cameras.

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.

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, 2017, the unreserved fund balance in the General Fund is in compliance with the City's policy. City management also tries to maintain a 25% reserve in its enterprise funds for future debt service requirements. This reserve is not set by ordinance/resolution.

Awards and Acknowledgments


The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in financial reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016. This award has been received since 2009. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both U.S. generally accepted accounting principles and applicable legal requirements.

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

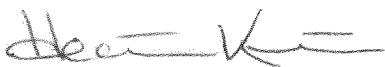
The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the various departments' of the City. We would like to express our appreciation to all members of the various departments who assisted and contributed to the preparation.

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

Respectively submitted,



Russell Rost
City Administrator



Heather Keith
Finance Officer

CITY OF UNION, MISSOURI

INTRODUCTORY

PRINCIPAL OFFICIALS

MAYOR

Mike Livengood

WARD 1

Robert Schmuke
Jim Albrecht

WARD 2

Dale Schmuke
Vicki Jo Hooper

WARD 3

Paul Arand
Dustin Bailey

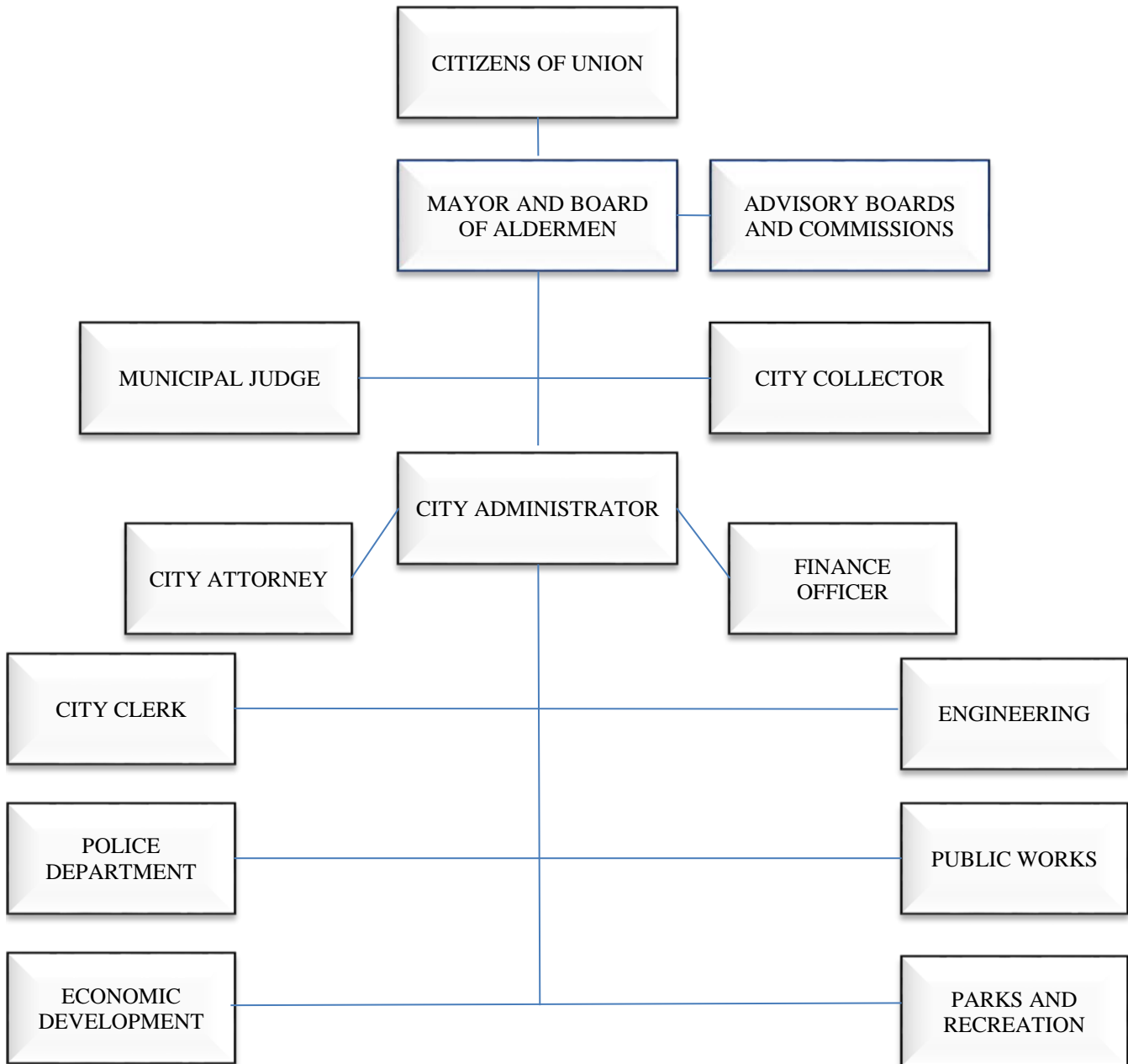
WARD 4

David Pope
Karen Erwin

OTHER CITY OFFICIALS

Russell Rost - City Administrator
Heather Keith - Finance Officer
Jonita Copeland - City Clerk
Jonathan Zimmermann - City Engineer
Norman Brune - Chief of Police
Harold Lampkin - Public Works Director
James Schmieder - Economic Development Director/Assistant City Administrator
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, 2016

Executive Director/CEO

SECTION II
FINANCIAL SECTION



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

INDEPENDENT AUDITOR'S REPORT

December 4, 2017

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, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2017, 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.

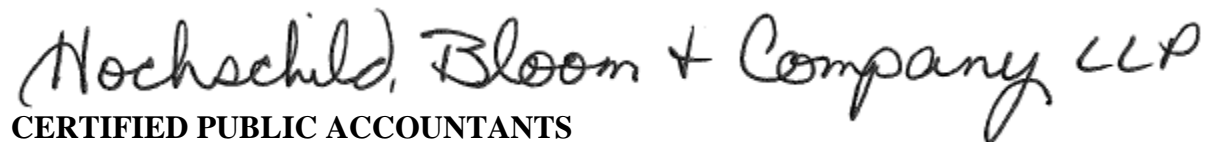
The other supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic 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, 2017 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS

CITY OF UNION, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017

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, 2017. 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 the City exceeded its liabilities and deferred inflows for the most recent fiscal year by \$61,678,357. The City has unrestricted net position totaling \$12,966,148.
- General revenues for governmental activities were \$6,627,686 which included \$6,125,176 (92.4%) in sales, property, franchise, and other taxes. Property taxes accounted for \$1,204,468 (18.2%) of general revenues.
- Expenses from the various functions of governmental activities was \$8,424,895. General government was \$2,448,423 (29.1%), public safety was \$1,662,628 (19.7%), street was \$1,796,693 (21.3%), refuse collection and other was \$731,434 (8.7%), culture and recreation was \$954,488 (11.3%), planning and development was \$556,386 (6.6%), and building maintenance was \$167,907 (2.0%).
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$7,937,651. Of this amount \$1,357,941 is unassigned, \$2,659,650 is nonspendable, \$1,364,282 is restricted, \$2,472,000 is committed, and \$83,868 is assigned.
- At the end of the current fiscal year, fund balance for the General Fund was \$9,005,269 or 119.0% of total General Fund expenditures. Of this amount \$3,913,709 is unassigned, \$2,619,560 is nonspendable, and \$2,472,000 is committed.
- The City's total debt decreased \$676,329 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 between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

CITY OF UNION, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017

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, 2017

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 \$61,678,357 increased in 2017 by approximately 3.4% as compared to the previous year.

The largest portion of the City's net position, \$45,835,707 in 2017 (an increase of approximately 1.4% from 2016) 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, 2017

	June 30					
	Governmental		Business-type		Total	
	Activities		Activities		2017	
	2017	2016	2017	2016	2017	2016
ASSETS						
Current and other assets	\$ 9,765,862	11,777,063	6,710,487	6,067,193	16,476,349	17,844,256
Capital assets, net	<u>31,772,612</u>	<u>28,526,723</u>	<u>23,013,502</u>	<u>23,403,819</u>	<u>54,786,114</u>	<u>51,930,542</u>
Total Assets	<u>41,538,474</u>	<u>40,303,786</u>	<u>29,723,989</u>	<u>29,471,012</u>	<u>71,262,463</u>	<u>69,774,798</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>709,271</u>	<u>1,773,114</u>	<u>259,700</u>	<u>372,894</u>	<u>968,971</u>	<u>2,146,008</u>
LIABILITIES						
Long-term liabilities	3,030,265	3,239,075	5,467,124	5,975,264	8,497,389	9,214,339
Other liabilities	<u>821,587</u>	<u>1,800,696</u>	<u>769,355</u>	<u>805,282</u>	<u>1,590,942</u>	<u>2,605,978</u>
Total Liabilities	<u>3,851,852</u>	<u>5,039,771</u>	<u>6,236,479</u>	<u>6,780,546</u>	<u>10,088,331</u>	<u>11,820,317</u>
DEFERRED INFLOWS OF RESOURCES	<u>443,364</u>	<u>388,395</u>	<u>21,382</u>	<u>46,055</u>	<u>464,746</u>	<u>434,450</u>
NET POSITION						
Net investment in capital assets	28,576,778	27,869,962	17,258,929	17,346,106	45,835,707	45,216,068
Restricted	1,443,921	1,631,227	1,432,581	1,423,415	2,876,502	3,054,642
Unrestricted	<u>7,931,830</u>	<u>7,147,545</u>	<u>5,034,318</u>	<u>4,247,784</u>	<u>12,966,148</u>	<u>11,395,329</u>
Total Net Position	<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>

An additional portion of the City's net position, \$2,876,502 in 2017, represents resources that are subject to external restrictions on how they may be used. External restrictions include those imposed by grantors, contributors, regulations of other governments, or restrictions imposed by law through constitutional provisions or legislation.

The remaining category of the City's net position represents an unrestricted net position balance of \$12,966,148 in 2017 which may be used to meet the City's ongoing obligations to citizens and creditors.

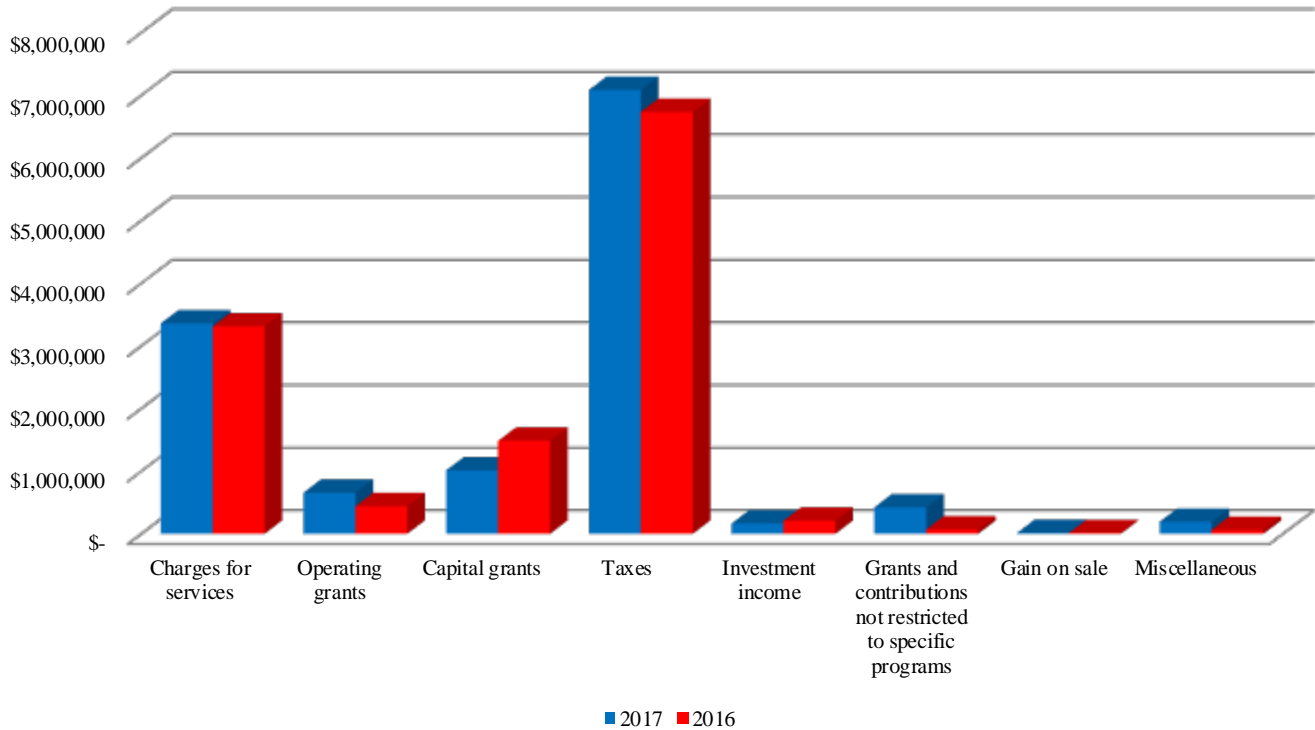
CITY OF UNION, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017

A condensed version of the statement of activities follows:

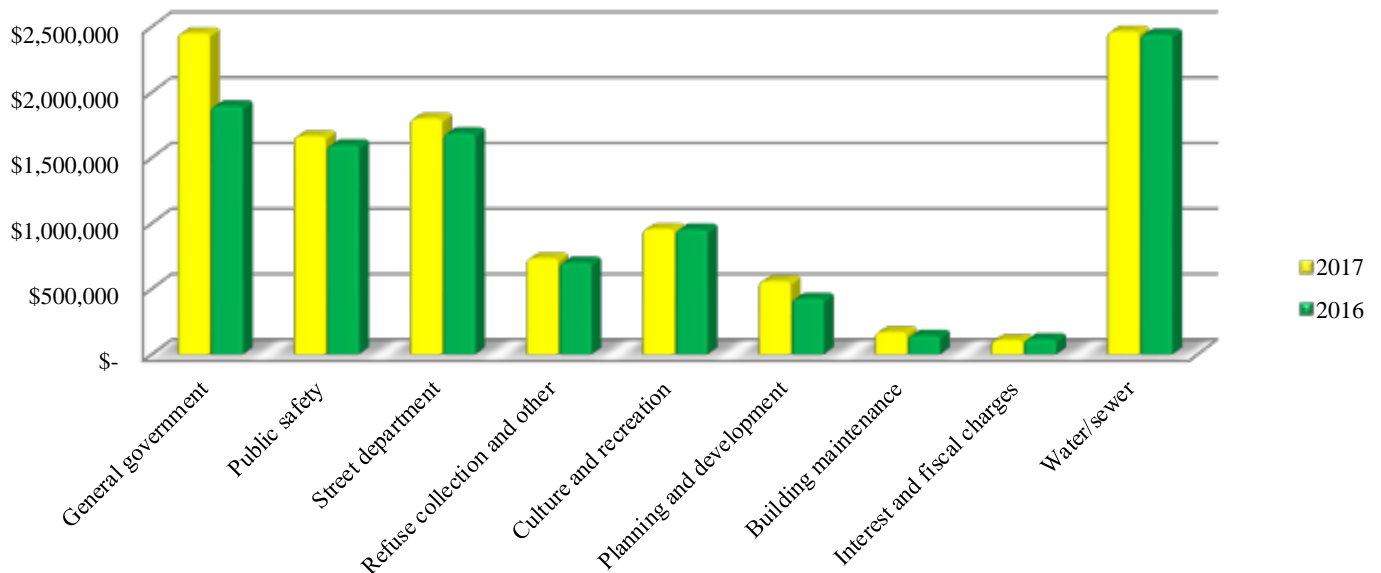
	For The Years Ended June 30					
	Governmental		Business-type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
REVENUES						
Program revenues:						
Charges for services	\$ 1,432,231	1,388,299	1,926,207	1,923,606	3,358,438	3,311,902
Operating grants and contributions	656,919	439,634	-	-	656,919	439,634
Capital grants and contributions	1,011,854	1,484,603	-	-	1,011,854	1,484,603
General revenues:						
Taxes	6,125,176	5,789,854	958,372	943,861	7,083,548	6,733,715
Investment income	124,055	170,785	40,008	38,377	164,063	209,162
Grants and contributions not restricted to specific programs	347,091	-	73,459	68,295	420,550	68,295
Gain on sale	12,503	11,525	-	-	12,563	11,525
Miscellaneous	18,861	23,689	172,207	37,197	191,068	60,886
Total Revenues	<u>9,728,690</u>	<u>9,308,389</u>	<u>3,170,253</u>	<u>3,011,333</u>	<u>12,898,943</u>	<u>12,319,722</u>
EXPENSES						
General government	2,448,423	1,893,711	-	-	2,448,423	1,893,711
Public safety	1,662,628	1,595,776	-	-	1,662,628	1,595,776
Street department	1,796,693	1,686,000	-	-	1,796,693	1,686,000
Refuse collection and other	731,434	699,791	-	-	731,434	699,791
Culture and recreation	954,488	953,042	-	-	954,488	953,042
Planning and development	556,386	424,833	-	-	556,386	424,833
Building maintenance	167,907	142,412	-	-	167,907	142,412
Water/sewer	-	-	2,461,730	2,440,268	2,461,730	2,440,268
Interest and fiscal Charges	106,936	115,633	-	-	106,936	115,633
Total Expenses	<u>8,424,895</u>	<u>7,511,198</u>	<u>2,461,730</u>	<u>2,440,268</u>	<u>10,886,625</u>	<u>9,951,466</u>
CHANGE IN NET POSITION	1,303,795	1,797,191	708,523	571,065	2,012,318	2,368,256
NET POSITION, JULY 1	<u>36,648,734</u>	<u>34,851,543</u>	<u>23,017,305</u>	<u>22,446,240</u>	<u>59,666,039</u>	<u>57,297,783</u>
NET POSITION, JUNE 30	<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>

CITY OF UNION, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017

Revenues by Source Comparison

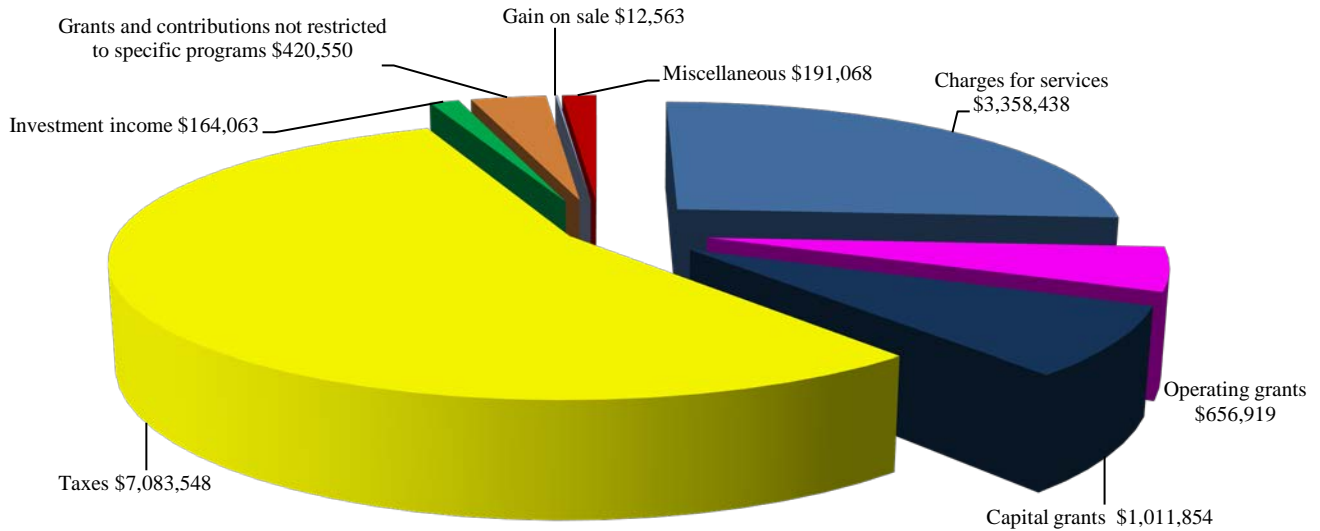


Expenses by Function Comparison

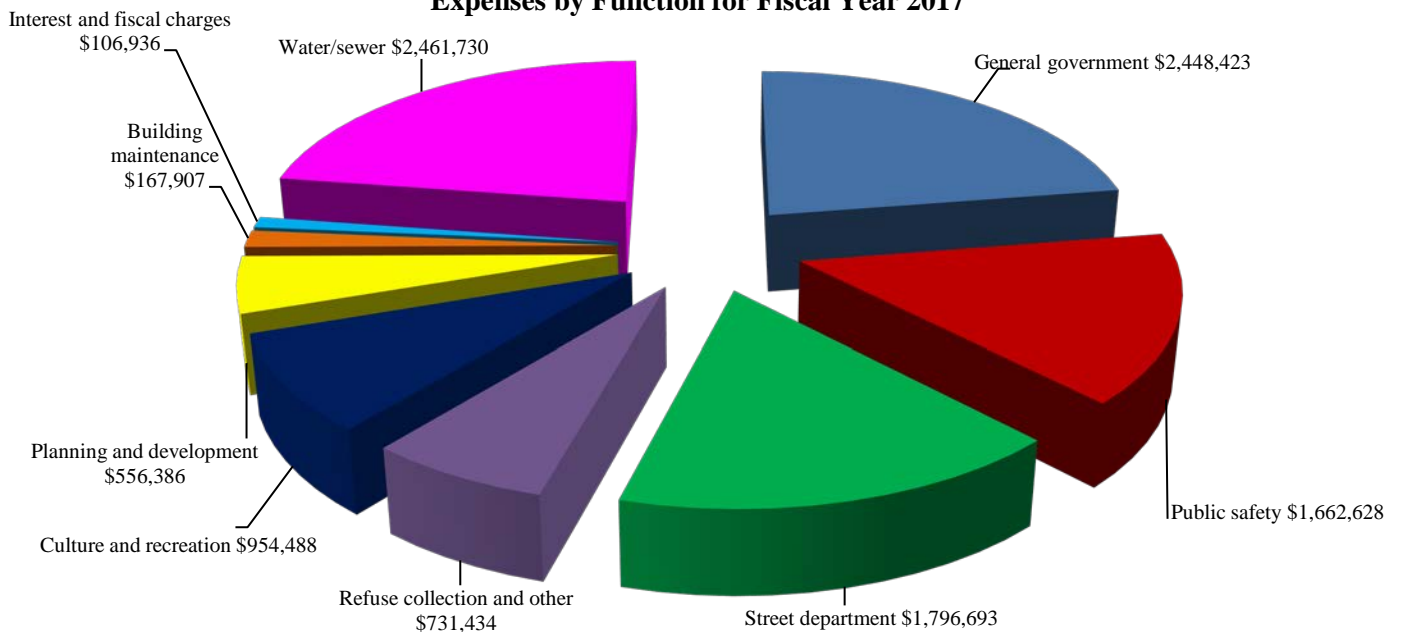


CITY OF UNION, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017

Revenues by Sources for Fiscal Year 2017



Expenses by Function for Fiscal Year 2017



CITY OF UNION, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017

Change in net position. In 2017 the City's total revenues on the government-wide basis was \$12,898,943, an increase of \$579,221 as compared to 2016.

While the total revenues increased \$579,221 (4.7%) from last year, total expenses increased by \$935,159 (9.4%) 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. As a result, the change in net position had a decrease of \$355,938 (15.0%).

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 2017, the unassigned fund balance of the General Fund was \$3,913,709 while the total fund balance was \$9,005,269. 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 (47.4%) of total General Fund expenditures and transfers out of \$685,550, while total fund balance represents (109.1%) of total General Fund expenditures and transfers out.

The fund balance in the City's General Fund increased by \$697,344 (8.4%) from the prior year fund balance. The changes of the current year's fund balance are mainly due to revenues generating more income than expected while expenditures were carefully monitored due to economic concerns.

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

- Park Fund decreased by \$2,693,185. This decrease was a result of construction for the Veterans Memorial Park. At the end of June 30, 2017, the nonspendable fund balance was \$40,000, the restricted fund balance was \$4,166, the unassigned fund balance was a negative \$2,555,768, and total fund balance was negative \$2,511,602.
- Transportation Tax Fund increased by \$4,371. This increase was a result of increased sales tax. At the end of June 30, 2017, the restricted fund balance and total fund balance was \$1,360,116.

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

- Water and Sewer Fund increased \$708,523. This increase was a result of increasing revenues. At the end of June 30, 2017, total net position is \$23,725,828.

CITY OF UNION, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017

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 \$7,842,848 which was decreased to \$7,562,485. The budget was amended for a decrease in expected sales tax revenue of \$71,825 and decrease for intergovernmental resulting in \$352,790 decrease 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 2017 was \$7,663,157, which differs from the original adopted budget of \$8,124,405 by \$461,248. These supplemental appropriations are summarized as follows:

- Increase in pay raises, employee benefits, fuel, and insurance.
- Areas of decrease in the General Fund include road projects being completed in the 2016 - 2017 budget year.

CAPITAL ASSETS

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

	June 30					
	Governmental		Business-type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
Land	\$ 3,272,972	3,166,711	705,650	705,650	3,978,622	3,872,361
Construction in progress	737,084	6,128,786	41,110	232,801	778,194	6,361,587
Buildings	2,639,959	2,639,959	262,095	262,095	2,902,054	2,902,054
Infrastructure	34,004,192	24,270,352	27,501,031	27,002,209	61,505,223	51,272,561
Machinery and equipment	<u>4,211,547</u>	<u>3,999,032</u>	<u>4,124,123</u>	<u>4,080,530</u>	<u>8,335,670</u>	<u>8,079,562</u>
Total	<u>\$44,865,754</u>	<u>40,204,840</u>	<u>32,634,009</u>	<u>32,283,285</u>	<u>77,499,763</u>	<u>72,488,125</u>

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

CITY OF UNION, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017

LONG-TERM DEBT

At the end of the fiscal year 2017, the City had outstanding long-term debt obligations for governmental and business-type activities in the amount of \$9,145,854 compared to \$9,822,183 in fiscal year 2016. Of this amount, \$5,945,000 is certificates of participation, \$2,790,000 is revenue bonds, and \$410,854 is capital leases. The City's total debt decreased \$676,329 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	
	2017	2016
2015 Certificates of Participation	\$3,200,000	3,405,000
2013A & B certificates of participation	2,745,000	2,990,000
2010A & B revenue bonds	2,790,000	2,950,000
Capital lease obligation	<u>410,854</u>	<u>477,183</u>
Total	<u>\$9,145,854</u>	<u>9,822,183</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 2017 - 2018 fiscal year:

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

The Denmark Road Phase 2 project consists of improvements from Denmark Road from St. Andrews Drive to Grandview Farms and provides shoulders, sidewalks, and resurfacing of the roadway, roundabout, and bridge replacement. This project is expected to be completed in the spring 2018.

CITY OF UNION, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017

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 will be completed in 2018.

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, 2017**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 7,198,407	4,548,224	11,746,631
Accounts receivable	762,843	423,753	1,186,596
Property taxes receivable, net of allowance	52,844	-	52,844
Court fines receivable	63,107	-	63,107
Grants receivable	235,924	-	235,924
Accrued interest receivable	1,680	-	1,680
Inventory	-	159,516	159,516
Prepaid items	173,773	96,000	269,773
Restricted assets:			
Cash	11,859	1,432,581	1,444,440
Net pension asset	1,265,425	50,413	1,315,838
Capital assets:			
Land and construction in progress	4,010,056	746,760	4,756,816
Other capital assets, net of accumulated depreciation	27,762,556	22,266,742	50,029,298
Total Assets	<u>41,538,474</u>	<u>29,723,989</u>	<u>71,262,463</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	-	191,281	191,281
Deferred amounts related to pensions	709,271	68,419	777,690
Total Deferred Outflows Of Resources	<u>709,271</u>	<u>259,700</u>	<u>968,971</u>
LIABILITIES			
Accounts payable	367,710	51,063	418,773
Accrued wages	56,054	7,005	63,059
Accrued expenses	14,855	50,989	65,844
Accrued interest payable	44,480	43,367	87,847
Customer deposits payable	-	113,650	113,650
Court bonds payable	7,693	-	7,693
Noncurrent liabilities:			
Due within one year	330,795	503,281	834,076
Due in more than one year	3,030,265	5,467,124	8,497,389
Total Liabilities	<u>3,851,852</u>	<u>6,236,479</u>	<u>10,088,331</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to pensions	<u>443,364</u>	<u>21,382</u>	<u>464,746</u>
NET POSITION			
Net investment in capital assets	28,576,778	17,258,929	45,835,707
Restricted for:			
Street improvements	1,360,116	-	1,360,116
Cemetery maintenance	83,805	-	83,805
Water and sewer improvements	-	1,374,762	1,374,762
Debt service	-	57,819	57,819
Unrestricted net position	<u>7,931,830</u>	<u>5,034,318</u>	<u>12,966,148</u>
Total Net Position	<u>\$ 37,952,529</u>	<u>23,725,828</u>	<u>61,678,357</u>

CITY OF UNION, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

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	\$ 2,448,423	180,656	-	-	(2,267,767)	-	(2,267,767)
Public safety	1,662,628	276,501	35,093	-	(1,351,034)	-	(1,351,034)
Street department	1,796,693	21,748	411,193	788,703	(575,049)	-	(575,049)
Refuse collection and other	731,434	749,329	-	-	17,895	-	17,895
Culture and recreation	954,488	202,641	-	223,151	(528,696)	-	(528,696)
Planning and development	556,386	1,356	210,633	-	(344,397)	-	(344,397)
Building maintenance	167,907	-	-	-	(167,907)	-	(167,907)
Interest and fiscal charges	106,936	-	-	-	(106,936)	-	(106,936)
Total Governmental Activities	8,424,895	1,432,231	656,919	1,011,854	(5,323,891)	-	(5,323,891)
Business-type Activities							
Water/sewer	2,461,730	1,926,207	-	-	-	(535,523)	(535,523)
Total Primary Government	<u>\$ 10,886,625</u>	<u>3,358,438</u>	<u>656,919</u>	<u>1,011,854</u>	<u>(5,323,891)</u>	<u>(535,523)</u>	<u>(5,859,414)</u>
General Revenues							
Taxes:							
Sales					2,875,083	958,372	3,833,455
Property					1,204,468	-	1,204,468
Franchise					1,628,176	-	1,628,176
Other					417,449	-	417,449
Investment income					124,055	40,008	164,063
Grants and contributions not restricted to specific programs					347,091	73,459	420,550
Gain on sale of capital assets					12,503	-	12,503
Miscellaneous					18,861	172,207	191,068
Total General Revenues					<u>6,627,686</u>	<u>1,244,046</u>	<u>7,871,732</u>
CHANGE IN NET POSITION					1,303,795	708,523	2,012,318
NET POSITION, JULY 1					<u>36,648,734</u>	<u>23,017,305</u>	<u>59,666,039</u>
NET POSITION, JUNE 30					<u>\$ 37,952,529</u>	<u>23,725,828</u>	<u>61,678,357</u>

See notes to financial statements

CITY OF UNION, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2017

	General Fund	Park Fund	Transportation Tax Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 5,906,498	-	1,208,041	83,868	7,198,407
Accounts receivable	610,768	-	152,075	-	762,843
Property taxes receivable, net of allowance	42,088	10,756	-	-	52,844
Court fines receivable	63,107	-	-	-	63,107
Grants receivable	216,423	19,501	-	-	235,924
Accrued interest receivable	1,680	-	-	-	1,680
Advance to other funds	2,485,787	-	-	-	2,485,787
Prepaid items	133,773	40,000	-	-	173,773
Restricted assets:					
Cash	7,693	4,166	-	-	11,859
Total Assets	\$ 9,467,817	74,423	1,360,116	83,868	10,986,224
LIABILITIES					
Accounts payable	\$ 295,096	72,614	-	-	367,710
Wages payable	41,740	14,314	-	-	56,054
Advance from other funds	-	2,485,787	-	-	2,485,787
Court bonds payable	7,693	-	-	-	7,693
Accrued liabilities	12,301	2,554	-	-	14,855
Total Liabilities	356,830	2,575,269	-	-	2,932,099
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue:					
Property taxes	42,611	10,756	-	-	53,367
Court fines	63,107	-	-	-	63,107
Total Deferred Inflows Of Resources	105,718	10,756	-	-	116,474
FUND BALANCES					
Nonspendable	2,619,560	40,000	-	-	2,659,560
Restricted	-	4,166	1,360,116	-	1,364,282
Committed	2,472,000	-	-	-	2,472,000
Assigned	-	-	-	83,868	83,868
Unassigned	3,913,709	(2,555,768)	-	-	1,357,941
Total Fund Balances	9,005,269	(2,511,602)	1,360,116	83,868	7,937,651
Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	\$ 9,467,817	74,423	1,360,116	83,868	10,986,224

CITY OF UNION, MISSOURI
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2017

Total Fund Balances - Governmental Funds \$ 7,937,651

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 \$44,865,754 and the accumulated depreciation is \$13,093,142. 31,772,612

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	1,265,425
Deferred outflows related to pensions	709,271
Deferred inflows related to pensions	(443,364)

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds. 116,474

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	(44,480)
Certificates of participation	(3,200,000)
Compensated absences	(161,060)

Total Net Position Of Governmental Activities \$ 37,952,529

CITY OF UNION, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	General Fund	Park Fund	Transportation Tax Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 5,301,641	282,093	958,361	-	6,542,095
Fines and forfeitures	90,781	-	-	-	90,781
Licenses and permits	152,841	-	-	-	152,841
Charges for services	908,046	192,925	-	-	1,100,971
Intergovernmental	1,015,079	27,705	-	-	1,042,784
Donations	-	203,650	-	-	203,650
Investment income	93,799	14,735	14,510	1,011	124,055
Rental income	27,815	-	-	-	27,815
Miscellaneous	145,191	54,234	-	-	199,425
Total Revenues	<u>7,735,193</u>	<u>775,342</u>	<u>972,871</u>	<u>1,011</u>	<u>9,484,417</u>
EXPENDITURES					
Current:					
General government	2,396,347	-	-	-	2,396,347
Public safety	1,593,685	-	-	-	1,593,685
Street department	758,896	-	-	-	758,896
Refuse collection and other	731,434	-	-	-	731,434
Culture and recreation	-	904,581	-	-	904,581
Planning and development	540,982	-	-	-	540,982
Building maintenance	90,268	-	-	-	90,268
Capital outlay	1,458,032	2,934,381	-	-	4,392,413
Debt service:					
Principal	-	205,000	-	-	205,000
Interest and fiscal charges	-	110,115	-	-	110,115
Total Expenditures	<u>7,569,644</u>	<u>4,154,077</u>	<u>-</u>	<u>-</u>	<u>11,723,721</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>165,549</u>	<u>(3,378,735)</u>	<u>972,871</u>	<u>1,011</u>	<u>(2,239,304)</u>
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	32,325	-	-	775	33,100
Other reimbursement	216,520	-	-	-	216,520
Transfers in	968,500	685,550	-	-	1,654,050
Transfers out	(685,550)	-	(968,500)	-	(1,654,050)
Total Other Financing Sources (Uses)	<u>531,795</u>	<u>685,550</u>	<u>(968,500)</u>	<u>775</u>	<u>249,620</u>
NET CHANGES IN FUND BALANCES	<u>697,344</u>	<u>(2,693,185)</u>	<u>4,371</u>	<u>1,786</u>	<u>(1,989,684)</u>
FUND BALANCES, JULY 1	<u>8,307,925</u>	<u>181,583</u>	<u>1,355,745</u>	<u>82,082</u>	<u>9,927,335</u>
FUND BALANCES, JUNE 30	<u>\$ 9,005,269</u>	<u>(2,511,602)</u>	<u>1,360,116</u>	<u>83,868</u>	<u>7,937,651</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, 2017

Net Change In Fund Balances - Governmental Funds \$ (1,989,684)

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 (\$4,765,484) exceeded depreciation (\$1,544,262) in the current period. 3,221,222

The net effect of various transactions involving capital assets:

Contributed capital assets	10,400
Cost of disposals, net of accumulated depreciation	(19,822)
Trade-in value	34,089

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. 4,075

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	205,000
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Under the modified accrual basis of accounting used in the governmental funds financial statements, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when financial resources are available.

Accrued compensated absence liability	(4,961)
Accrued interest on debt	3,179
Pension expense	(159,703)

Change In Net Position Of Governmental Activities \$ 1,303,795

CITY OF UNION, MISSOURI
STATEMENT OF NET POSITION - PROPRIETARY FUND
JUNE 30, 2017

	Business-type Activities - Enterprise Fund Water/Sewer
ASSETS	
Current Assets	
Cash and cash investments	\$ 4,548,224
Accounts receivable	423,753
Inventory	159,516
Prepaid items	96,000
Total Current Assets	<u>5,227,493</u>
Noncurrent Assets	
Cash and cash investments - restricted	1,432,581
Net pension asset	50,413
Land and construction in progress	746,760
Other capital assets, net of accumulated depreciation	22,266,742
Total Noncurrent Assets	<u>24,496,496</u>
Total Assets	<u>29,723,989</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	191,281
Deferred amounts related to pensions	68,419
Total Deferred Outflows Of Resources	<u>259,700</u>
LIABILITIES	
Current Liabilities	
Accounts payable	51,063
Accrued wages	7,005
Accrued expenses	50,989
Accrued interest payable	43,367
Accrued compensated absences - current	18,413
Capital lease - current	69,868
Debt payable - current	415,000
Total Current Liabilities	<u>655,705</u>
Noncurrent Liabilities	
Customer deposits payable	113,650
Accrued compensated absences	6,138
Capital leases payable	340,986
Debt payable, net	5,120,000
Total Noncurrent Liabilities	<u>5,580,774</u>
Total Liabilities	<u>6,236,479</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred amounts related to pensions	<u>21,382</u>
NET POSITION	
Net investment in capital assets	17,258,929
Restricted for debt service	57,819
Restricted for water and sewer improvements	1,374,762
Unrestricted	<u>5,034,318</u>
Total Net Position	<u>\$ 23,725,828</u>

CITY OF UNION, MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND
CHANGE IN NET POSITION - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Business-type Activities - Enterprise Fund Water/Sewer
OPERATING REVENUES	
Charges for services:	
Water	\$ 1,105,605
Sewer	820,602
Total Operating Revenues	<u>1,926,207</u>
OPERATING EXPENSES	
Depreciation	743,062
Water	725,669
Sewer	722,175
Total Operating Expenses	<u>2,190,906</u>
OPERATING LOSS	<u>(264,699)</u>
NONOPERATING REVENUES (EXPENSES)	
Taxes	958,372
Investment income	40,008
Intergovernmental	73,459
Insurance reimbursement	144,124
Miscellaneous	28,083
Interest expense and fiscal charges	(270,824)
Total Nonoperating Revenues (Expenses)	<u>973,222</u>
CHANGE IN NET POSITION	708,523
NET POSITION, JULY 1	<u>23,017,305</u>
NET POSITION, JUNE 30	<u><u>\$ 23,725,828</u></u>

CITY OF UNION, MISSOURI
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Business-type Activities - Enterprise Fund Water/Sewer
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	
Cash flows from operating activities:	
Receipts from customers and users	\$ 1,900,710
Payments to suppliers	(787,511)
Payments to employees	(707,508)
Other receipts	172,207
Net Cash Provided By Operating Activities	<u>577,898</u>
Cash flows from noncapital financing activities:	
Taxes	958,372
Intergovernmental	73,459
Net Cash Provided By Noncapital Financing Activities	<u>1,031,831</u>
Cash flows from capital and related financing activities:	
Interest paid on bonds	(254,197)
Payments on capital lease payable	(66,329)
Payments on bonds payable	(405,000)
Acquisition and construction of capital assets	(354,290)
Disposal of capital assets	1,545
Net Cash Used In Capital And Related Financing Activities	<u>(1,078,271)</u>
Cash flows provided by investing activities:	
Investment income	<u>40,008</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	571,466
CASH AND CASH EQUIVALENTS, JULY 1	<u>5,409,339</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u><u>\$ 5,980,805</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating loss	\$ (264,699)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	743,062
Miscellaneous receipts	172,207
(Increase) decrease in:	
Accounts receivable	(26,247)
Inventory	317
Prepaid items	4,515
Net pension asset	(73,767)
Deferred outflows related to pensions	94,030
Increase (decrease) in:	
Accounts payable	(44,351)
Accrued wages	(6,946)
Accrued compensated absences	322
Accrued expenses	3,378
Customer deposits payable	750
Deferred inflows related to pensions	(24,673)
Total Adjustments	<u>842,597</u>
Net Cash Provided By Operating Activities	<u><u>\$ 577,898</u></u>

CITY OF UNION, MISSOURI
STATEMENT OF FIDUCIARY NET POSITION - AGENCY FUND
JUNE 30, 2017

ASSETS

Cash	<u>\$ 67,354</u>
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LIABILITIES

Due to others	<u>\$ 67,354</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 individuals, private organizations, or other governments. 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 \$67,005 and \$16,751 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 one item that qualifies for reporting in this category. The first item arises under a modified accrual basis of accounting. Unavailable revenues, is reported only in the governmental funds balance sheet. The governmental funds 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.

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)

	June 30, 2017			
Fund Balances	General Fund	Park Fund	Transportation Tax Fund	Nonmajor Governmental Funds
Nonspendable:				
Prepays	\$ 133,773	40,000	-	-
Advance to other funds	2,485,787	-	-	-
Restricted for:				
Street department	-	-	1,360,116	-
Veteran's Memorial Park	-	4,166	-	-
Committed to:				
Capital projects	1,448,000	-	-	-
Parks and recreation	1,024,000	-	-	-
Assigned to:				
Cemetery	-	-	-	83,805
Stormwater management	-	-	-	63
Unassigned	<u>3,913,709</u>	<u>(2,555,768)</u>	<u>-</u>	<u>-</u>
 Total Fund Balances	 <u><u>\$ 9,005,269</u></u>	 <u><u>(2,511,602)</u></u>	 <u><u>1,360,116</u></u>	 <u><u>83,868</u></u>

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

15. Equity in Pooled Cash and Investments

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

16. Grant Revenue

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

17. Interfund Transactions

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

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

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

18. Property Taxes

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

The Franklin County Assessor establishes assessed values and the City tax collector makes collections. The assessed value at January 1, 2016 upon which the 2016 levy was based for \$171,951,387.

The City's tax rate was levied at \$0.7234 per \$100 of assessed valuation of which \$0.5830 is used for general governmental services and \$0.1404 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 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, 2017, 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, 2017, 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	\$ 4,002,647	-	4,002,647	-	N/A
Cash deposits	3,207,619				
Total Governmental Funds Cash And Investments	<u>\$ 7,210,266</u>				
Proprietary Funds					
Cash deposits	<u>\$ 5,980,805</u>	-	-	-	

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.

NOTE B - CASH AND INVESTMENTS (Continued)

2. Investments (Continued)

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.

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, 2017, 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, 2017

	Balance June 30 2016	Increases	Decreases	Balance June 30 2017
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 3,166,711	106,261	-	3,272,972
Construction in progress	6,128,786	3,992,600	9,384,302	737,084
Total Capital Assets Not Being Depreciated	9,295,497	4,098,861	9,384,302	4,010,056
Capital assets being depreciated:				
Buildings	2,639,959	-	-	2,639,959
Infrastructure	24,270,352	9,733,840	-	34,004,192
Machinery and equipment	3,999,032	361,574	149,059	4,211,547
Total Capital Assets Being Depreciated	30,909,343	10,095,414	149,059	40,855,698
Less - Accumulated depreciation for:				
Buildings	1,853,776	89,798	-	1,943,574
Infrastructure	7,037,242	1,161,835	-	8,199,077
Machinery and equipment	2,787,099	292,629	129,237	2,950,491
Total Accumulated Depreciation	11,678,117	1,544,262	129,237	13,093,142
Total Capital Assets Being Depreciated, Net	19,231,226	8,551,152	19,822	27,762,556
 Governmental Activities Capital Assets, Net	 \$ 28,526,723	 12,650,013	 9,404,124	 31,772,612

CITY OF UNION, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - CAPITAL ASSETS (Continued)

For The Year Ended June 30, 2017

	Balance June 30 2016	Increases	Decreases	Balance June 30 2017
Business-type Activities				
Capital assets not being depreciated:				
Land	\$ 705,650	-	-	705,650
Construction in progress	232,801	307,131	498,822	41,110
Total Capital Assets Not Being Depreciated	938,451	307,131	498,822	746,760
Capital assets being depreciated:				
Buildings	262,095	-	-	262,095
Infrastructure	27,002,209	498,822	-	27,501,031
Machinery and equipment	4,080,530	47,159	3,566	4,124,123
Total Capital Assets Being Depreciated	31,344,834	545,981	3,566	31,887,249
Less - Accumulated depreciation for:				
Buildings	142,447	4,962	-	147,409
Infrastructure	6,740,603	559,878	-	7,300,481
Machinery and equipment	1,996,416	178,222	2,021	2,172,617
Total Accumulated Depreciation	8,879,466	743,062	2,021	9,620,507
Total Capital Assets Being Depreciated, Net	22,465,368	(197,081)	1,545	22,266,742
Business-type Activities Capital Assets, Net	<u>\$ 23,403,819</u>	<u>110,050</u>	<u>500,367</u>	<u>23,013,502</u>

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

	For The Year Ended June 30, 2017
Governmental Activities	
General government	\$ 2,563
Public safety	62,751
Street department	1,259,187
Culture and recreation	140,219
Planning and development	2,264
Building maintenance	<u>77,278</u>
Total	<u>\$ 1,544,262</u>
Business-type Activities	
Water/sewer facility	<u>\$ 743,062</u>

CITY OF UNION, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Individual interfund assets and liabilities are as follows:

Advance from/to other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>June 30 2017</u>
General Fund	Park Fund	<u>\$ 2,485,787</u>

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 2017</u>
General Fund	Transportation Tax Fund	\$ 968,500
Park Fund	General Fund	<u>685,550</u>
Total		<u>\$ 1,654,050</u>

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

NOTE E - RESTRICTED NET POSITION

The government-wide statement of net position reports \$2,876,502 of restricted net position, of which \$2,818,683 is restricted by enabling legislation.

NOTE F - LONG-TERM DEBT

Long-term debt consisted of the following:

	<u>June 30 2017</u>
Governmental Activities	
\$3,590,000 certificates of participation (Series 2014), used for construction of the Veteran's Memorial Park. Due in annual installments through August 1, 2029; interest payable at 3.23%.	<u>\$ 3,200,000</u>

CITY OF UNION, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE F - LONG-TERM DEBT (Continued)

June 30
2017

Business-type Activities

2010A and B taxable combined waterworks and sewerage system revenue bonds of \$3,705,000 used for constructing waterworks and sewerage system improvements. Interest rates range from 2% to 5.95%, maturity October 1, 2030.	\$ 2,790,000
\$2,370,000 certificates of participation, under the terms of the refinancing agreement Series 2013A, due in annual installments through October 1, 2026; interest payable at 1.75% to 3.05%.	2,370,000
\$1,300,000 taxable certificates of participation, under the terms of the refinancing agreement Series 2013B, due in annual installments through October 1, 2018; interest payable at 0.45% to 2.1%.	<u>375,000</u>
Total	<u><u>\$ 5,535,000</u></u>

Annual principal and interest for governmental activities are as follows:

For The Years Ending June 30	Certificates Of Participation	
	<u>Principal</u>	<u>Interest</u>
2018	\$ 210,000	101,664
2019	220,000	94,801
2020	225,000	87,695
2021	235,000	80,346
2022	240,000	72,675
2023 - 2027	1,325,000	240,715
2028 - 2030	<u>745,000</u>	<u>36,499</u>
Total	<u><u>\$ 3,200,000</u></u>	<u><u>714,395</u></u>

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

CITY OF UNION, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE F - LONG-TERM DEBT (Continued)

For The Years Ending June 30	Certificates Of Participation		Revenue Bonds	
	Principal	Interest	Principal	Interest
2018	\$ 250,000	65,880	165,000	149,441
2019	255,000	61,118	170,000	141,485
2020	260,000	56,068	175,000	133,291
2021	260,000	50,608	180,000	124,860
2022	270,000	44,508	180,000	115,635
2023 - 2027	1,450,000	108,624	1,000,000	418,203
2028 - 2031	-	-	920,000	111,563
Total	<u>\$ 2,745,000</u>	<u>386,806</u>	<u>2,790,000</u>	<u>1,194,478</u>

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

	For The Year Ended June 30, 2017			Amounts Due Within One Year
	Balance June 30 2016	Additions	Reductions	
Governmental Activities				
Certificates of participation	\$ 3,405,000	-	205,000	3,200,000
Compensated absences	156,099	53,701	48,740	161,060
Total Governmental Activities	<u>\$ 3,561,099</u>	<u>53,701</u>	<u>253,740</u>	<u>3,361,060</u>
Business-type Activities				
Certificates of participation	\$ 2,990,000	-	245,000	2,745,000
Revenue bonds	2,950,000	-	160,000	2,790,000
Capital lease obligation	477,183	-	66,329	410,854
Total Bonds And Capital				
Leases	6,417,183	-	471,329	5,945,854
Compensated absences	24,229	29,813	29,491	24,551
Total Business-type Activities	<u>\$ 6,441,412</u>	<u>29,813</u>	<u>500,820</u>	<u>5,970,405</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.

CITY OF UNION, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE F - LONG-TERM DEBT (Continued)

The assets acquired through the capital lease is as follows:

	<u>June 30, 2017</u>
	<u>Business-type</u>
	<u>Activities</u>
Assets:	
Infrastructure	\$ 914,863
Less - Accumulated depreciation	<u>365,945</u>
Total	<u><u>\$ 548,918</u></u>

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

<u>For The</u>		<u>Business-type</u>
<u>Years Ending</u>		<u>Activities</u>
<u>June 30</u>		
2018		\$ 90,000
2019		90,000
2020		90,000
2021		90,000
2022		90,000
2023		<u>22,500</u>
Total Minimum		
Lease Payments		472,500
Less - Imputed interest		<u>61,646</u>
Present Value Of		
Minimum Lease		
Payments		<u><u>\$ 410,854</u></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 admin-

NOTE G - PENSION PLAN (Continued)

istration 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. 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.

	<u>2017</u> <u>Valuation</u>
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, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	41
Inactive employees entitled to but not yet receiving benefits	23
Active employees	<u>68</u>
Total	<u><u>132</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 12.4% (General) and 10.0% (Police) of annual covered payroll.

NOTE G - PENSION PLAN (Continued)

Net Pension Liability (Asset)

The City's net pension liability (asset) was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of February 28, 2017.

Actuarial Assumptions

The total pension liability in the February 28, 2017 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, 2017 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%	5.29%
Fixed income	26.00	2.93
Real assets	21.00	3.31
Strategic assets	10.00	5.73

CITY OF UNION, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE G - PENSION PLAN (Continued)

Discount Rate

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

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, 2016	<u>\$ 15,118,975</u>	<u>15,401,937</u>	<u>(282,962)</u>
Changes for the year			
Service cost	317,486	-	317,486
Interest	1,088,258	-	1,088,258
Difference between expected and actual experience	(172,565)	-	(172,565)
Contributions - employer	-	335,524	(335,524)
Net investment income	-	1,913,224	(1,913,224)
Benefit payments, including refunds	(538,368)	(538,368)	-
Administrative expense	-	(11,126)	11,126
Other	-	28,433	(28,433)
Net Changes	<u>694,811</u>	<u>1,727,687</u>	<u>(1,032,876)</u>
Balances at June 30, 2017	<u><u>\$ 15,813,786</u></u>	<u><u>17,129,624</u></u>	<u><u>(1,315,838)</u></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.

	<u>1% Decrease</u>	<u>Current Single Discount Rate Assumption</u>	<u>1% Increase</u>
Net pension liability (asset)	\$947,343	(1,315,838)	(3,188,169)

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, 2017 the City recognized pension expense of \$490,817. The 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	\$ 13,903	(464,746)	(450,843)
Assumption changes	392,042	-	392,042
Net difference between projected and actual earnings on pension plan investments	<u>371,745</u>	<u>-</u>	<u>371,745</u>
Total	<u><u>\$ 777,690</u></u>	<u><u>(464,746)</u></u>	<u><u>312,944</u></u>

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

**For The Plan
Years Ending
June 30**

2018	\$ 212,412
2019	213,164
2020	105,104
2021	(193,653)
2022	<u>(24,083)</u>
Total	<u><u>\$ 312,944</u></u>

Payable to the Pension Plan

At June 30, 2017, the City reported a payable of \$32,336 for the outstanding amount of contributions to the pension plan for the year ended June 30, 2017.

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, 2017.

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 \$260,515 for MIRMA's fiscal year ended June 30, 2017. Settled claims resulting in these risks have not exceeded coverage in any of the past three years.

NOTE I - COMMITMENTS

At June 30, 2017, the City had commitments for the following projects:

	<u>Approximate Amounts Still Outstanding</u>
Road and bridge construction	\$ 255,843
Veteran's Memorial Park	1,450
City Lake repairs	2,600
Water lines	5,980
Sanitary sewer pretreatment program	<u>18,954</u>
Total	<u><u>\$ 284,827</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)

	June 30 2017
\$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, 2017		
	Water	Sewer	Totals
ASSETS			
Current and other assets	\$ 1,703,800	3,574,106	5,277,906
Restricted assets	-	1,432,581	1,432,581
Capital assets	7,351,990	15,661,512	23,013,502
Total Assets	<u>9,055,790</u>	<u>20,668,199</u>	<u>29,723,989</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>34,210</u>	<u>225,490</u>	<u>259,700</u>
LIABILITIES			
Current liabilities	151,678	504,027	655,705
Noncurrent liabilities	460,774	5,120,000	5,580,774
Total Liabilities	<u>612,452</u>	<u>5,624,027</u>	<u>6,236,479</u>
DEFERRED INFLOWS OF RESOURCES	<u>10,691</u>	<u>10,691</u>	<u>21,382</u>
NET POSITION			
Net investment in capital assets	6,941,136	10,317,793	17,258,929
Restricted	-	1,432,581	1,432,581
Unrestricted	1,525,721	3,508,597	5,034,318
Total Net Position	<u><u>\$ 8,466,857</u></u>	<u><u>15,258,971</u></u>	<u><u>23,725,828</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, 2017			
	Water	Sewer	Totals
OPERATING REVENUES	\$ 1,105,605	820,602	1,926,207
DEPRECIATION	263,721	479,341	743,062
OTHER OPERATING EXPENSES	725,669	722,175	1,447,844
OPERATING INCOME (LOSS)	116,215	(380,914)	(264,699)
NONOPERATING REVENUES (EXPENSES)			
Taxes	-	958,372	958,372
Investment income	16,291	23,717	40,008
Intergovernmental	-	65,878	65,878
Miscellaneous	26,307	153,481	179,788
Interest expense and fiscal charges	(23,092)	(247,732)	(270,824)
Total Nonoperating Revenues (Expenses)	19,506	953,716	973,222
TRANSFERS	155,000	(155,000)	-
CHANGE IN NET POSITION	290,721	417,802	708,523
NET POSITION, JULY 1	8,176,136	14,841,169	23,017,305
NET POSITION, JUNE 30	<u>\$ 8,466,857</u>	<u>15,258,971</u>	<u>23,725,828</u>
Condensed Statement Of Cash Flows For The Year Ended June 30, 2017			
	Water	Sewer	Totals
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
Net cash provided by (used in):			
Operating activities	\$ 347,890	237,589	585,479
Noncapital financing activities	155,000	869,250	1,024,250
Capital and related financing activities	(418,880)	(659,391)	(1,078,271)
Investing activities	16,291	23,717	40,008
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	100,301	471,165	571,466
CASH AND CASH EQUIVALENTS, JULY 1	1,250,396	4,158,943	5,409,339
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 1,350,697</u>	<u>4,630,108</u>	<u>5,980,805</u>

NOTE L - RELATED PARTY TRANSACTIONS

The City has entered into transactions with a company owned by an Alderman and a company owned by the Mayor. The expenses totaled \$2,000 and \$1,129, respectively for the year ended June 30, 2017.

NOTE M - DEFICIT BALANCE

The Park Fund has a deficit in fund balance of \$2,511,602. The deficit will be offset by future revenues.

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, 2017

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Taxes	\$ 5,339,600	5,267,775	5,301,641	33,866
Fines and forfeitures	104,000	91,270	90,781	(489)
Licenses and permits	104,300	152,078	152,841	763
Charges for services	915,688	908,046	908,046	-
Intergovernmental	1,246,060	893,270	895,763	2,493
Investment income	90,000	90,000	93,799	3,799
Rental income	25,000	25,000	27,815	2,815
Miscellaneous	18,200	135,046	145,191	10,145
Total Revenues	<u>7,842,848</u>	<u>7,562,485</u>	<u>7,615,877</u>	<u>53,392</u>
EXPENDITURES				
General government:				
Mayor and board:				
Personnel services	44,752	45,077	44,871	(206)
General services	13,400	13,400	12,717	(683)
Total Mayor And Board	<u>58,152</u>	<u>58,477</u>	<u>57,588</u>	<u>(889)</u>
City clerk:				
Personnel services	112,273	112,273	112,168	(105)
Supplies and materials	1,100	1,367	1,367	-
General services	15,500	7,656	7,257	(399)
Maintenance and repairs	23,200	23,700	23,350	(350)
Total City Clerk	<u>152,073</u>	<u>144,996</u>	<u>144,142</u>	<u>(854)</u>
City collector:				
Personnel services	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
City administrator:				
Personnel services	197,960	197,960	196,546	(1,414)
Supplies and materials	1,000	1,000	862	(138)
General services	10,550	10,550	10,313	(237)
Maintenance and repairs	1,900	1,900	779	(1,121)
Total City Administrator	<u>211,410</u>	<u>211,410</u>	<u>208,500</u>	<u>(2,910)</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, 2017

	<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>50,500</u>	<u>42,883</u>	<u>(7,617)</u>
Municipal court:				
Personnel services	44,762	44,762	44,252	(510)
Supplies and materials	1,250	1,250	733	(517)
General services	40,450	40,450	38,242	(2,208)
Maintenance and repairs	<u>100</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Municipal Court	<u>86,562</u>	<u>86,462</u>	<u>83,227</u>	<u>(3,235)</u>
Incidental:				
Personnel services	1,000,000	1,288,040	1,288,040	-
Supplies and materials	11,700	11,700	10,659	(1,041)
General services	385,600	535,600	532,195	(3,405)
Maintenance and repairs	<u>6,000</u>	<u>14,756</u>	<u>12,554</u>	<u>(2,202)</u>
Total Incidental	<u>1,403,300</u>	<u>1,850,096</u>	<u>1,843,448</u>	<u>(6,648)</u>
Legal and elections:				
General service	<u>17,700</u>	<u>17,700</u>	<u>16,558</u>	<u>(1,142)</u>
Total General Government	<u>1,979,697</u>	<u>2,419,642</u>	<u>2,396,347</u>	<u>(23,295)</u>
Public safety:				
Personnel services	1,443,684	1,436,880	1,427,732	(9,148)
Supplies and materials	14,685	25,535	20,976	(4,559)
General services	75,235	72,805	67,439	(5,366)
Maintenance and repairs	97,500	97,500	77,538	(19,962)
Capital outlay	<u>50,500</u>	<u>53,250</u>	<u>51,531</u>	<u>(1,719)</u>
Total Public Safety	<u>1,681,604</u>	<u>1,685,970</u>	<u>1,645,216</u>	<u>(40,754)</u>
Street department:				
Personnel services	465,915	376,780	361,233	(15,547)
Supplies and materials	109,500	88,110	78,901	(9,209)
General services	18,800	68,600	14,586	(54,014)

(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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
EXPENDITURES (Continued)				
Street department (Continued):				
Maintenance and repairs	691,000	332,755	304,176	(28,579)
Capital outlay	2,037,165	1,391,611	1,374,335	(17,276)
Total Street Department	<u>3,322,380</u>	<u>2,257,856</u>	<u>2,133,231</u>	<u>(124,625)</u>
Refuse collection and other:				
Cemetery:				
General services	100	-	-	-
Maintenance and repairs	22,000	22,000	9,732	(12,268)
Total Cemetery	<u>22,100</u>	<u>22,000</u>	<u>9,732</u>	<u>(12,268)</u>
Sanitation:				
General services	680,400	721,706	721,702	(4)
Total Refuse Collection And Other	<u>702,500</u>	<u>743,706</u>	<u>731,434</u>	<u>(12,272)</u>
Planning and development:				
Engineering services:				
Personnel services	178,845	178,845	179,880	1,035
Supplies and materials	1,500	1,500	933	(567)
General services	2,600	2,500	1,219	(1,281)
Maintenance and repairs	4,700	4,700	2,597	(2,103)
Total Engineering Services	<u>187,645</u>	<u>187,545</u>	<u>184,629</u>	<u>(2,916)</u>
Economic development:				
Personnel services	119,175	122,212	121,943	(269)
Supplies and materials	1,500	1,500	938	(562)
General services	20,000	112,593	110,446	(2,147)
Maintenance and repairs	4,550	4,350	3,710	(640)
Capital outlay	25,140	25,140	25,035	(105)
Total Economic Develop- ment	<u>170,365</u>	<u>265,795</u>	<u>262,072</u>	<u>(3,723)</u>
Total Planning And De- velopment	<u>358,010</u>	<u>453,340</u>	<u>446,701</u>	<u>(6,639)</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
EXPENDITURES (Continued)				
Building maintenance:				
Personnel services	46,789	46,789	45,258	(1,531)
Supplies and materials	7,125	7,125	4,975	(2,150)
General services	17,700	20,053	17,894	(2,159)
Maintenance and repairs	2,100	22,176	22,141	(35)
Capital outlay	6,500	6,500	7,131	631
Total Building Maintenance	<u>80,214</u>	<u>102,643</u>	<u>97,399</u>	<u>(5,244)</u>
Total Expenditures	<u>8,124,405</u>	<u>7,663,157</u>	<u>7,450,328</u>	<u>(212,829)</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>(281,557)</u>	<u>(100,672)</u>	<u>165,549</u>	<u>266,221</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	1,500	33,050	32,325	(725)
Other reimbursement	-	216,520	216,520	-
Transfers in	968,500	968,500	968,500	-
Transfers out	<u>(685,550)</u>	<u>(685,550)</u>	<u>(685,550)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>284,450</u>	<u>532,520</u>	<u>531,795</u>	<u>(725)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 2,893</u>	<u>431,848</u>	<u>697,344</u>	<u>265,496</u>
FUND BALANCE, JULY 1			<u>8,307,925</u>	
FUND BALANCE, JUNE 30			<u>\$ 9,005,269</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES				
Taxes	\$ 271,000	271,000	282,093	11,093
Charges for services	179,000	191,579	192,925	1,346
Donations	-	203,650	203,650	-
Intergovernmental	-	27,705	27,705	-
Investment income	40,450	14,278	14,735	457
Miscellaneous	11,000	55,138	54,234	(904)
Total Revenues	<u>501,450</u>	<u>763,350</u>	<u>775,342</u>	<u>11,992</u>
EXPENDITURES				
Current:				
Culture and recreation	845,577	935,464	904,581	(30,883)
Capital outlay	303,708	2,934,758	2,934,381	(377)
Debt service:				
Principal	205,000	205,000	205,000	-
Interest and fiscal charges	108,367	110,117	110,115	(2)
Total Expenditures	<u>1,462,652</u>	<u>4,185,339</u>	<u>4,154,077</u>	<u>(31,262)</u>
REVENUES UNDER EXPENDI- TURES	(961,202)	(3,421,989)	(3,378,735)	43,254
OTHER FINANCING SOURCES				
Transfers in	<u>685,550</u>	<u>685,550</u>	<u>685,550</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (275,652)</u>	<u>(2,736,439)</u>	<u>(2,693,185)</u>	<u>43,254</u>
FUND BALANCE, JULY 1			<u>181,583</u>	
FUND BALANCE, JUNE 30			<u>\$ (2,511,602)</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES				
Taxes	\$ 960,000	958,360	958,361	1
Investment income	<u>13,500</u>	<u>13,500</u>	<u>14,510</u>	<u>1,010</u>
Total Revenues	973,500	971,860	972,871	1,011
 OTHER FINANCING USES				
Transfers out	<u>(968,500)</u>	<u>(968,500)</u>	<u>(968,500)</u>	<u>-</u>
 NET CHANGE IN FUND BALANCE	<u>\$ 5,000</u>	<u>3,360</u>	4,371	<u>1,011</u>
 FUND BALANCE, JULY 1			<u>1,355,745</u>	
 FUND BALANCE, JUNE 30			<u>\$ 1,360,116</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, 2017

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 and certain grant revenue for economic development is netted against general services in the General Fund, which amounts to \$119,316.
- 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>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability			
Service cost	\$ 317,486	305,585	305,969
Interest on the total pension liability	1,088,258	983,372	965,923
Difference between expected and actual experience	(172,565)	(319)	(634,560)
Changes of assumptions	-	633,616	-
Benefit payments, including refunds	(538,368)	(426,370)	(367,586)
Net Change In Total Pension Liability	694,811	1,495,884	269,746
 Total Pension Liability Beginning	 <u>15,118,975</u>	 <u>13,623,091</u>	 <u>13,353,345</u>
 Total Pension Liability Ending (a)	 <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	\$ 335,524	361,369	378,656
Net investment income	1,913,224	(45,247)	287,873
Benefit payments, including refunds	(538,368)	(426,370)	(367,586)
Administrative expense	(11,126)	(10,264)	(10,719)
Other	28,433	215,352	142,869
Net Change In Plan Fiduciary Net Position	1,727,687	94,840	431,093
 Plan Fiduciary Net Position Beginning	 <u>15,401,937</u>	 <u>15,307,097</u>	 <u>14,876,004</u>
 Plan Fiduciary Net Position Ending (b)	 <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>\$ (1,315,838)</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	 108.32 %	 101.87	 112.36
 Covered Employee Payroll (for February 28/29 Valuation)	 \$ 2,750,188	 2,771,165	 2,607,956
 Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	 (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									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined pension contribution	\$ 335,524	361,447	384,790	403,502	416,029	389,084	387,348	269,351	252,932	221,585
Contributions in relation to the actuarially determined contribution	335,524	361,447	378,579	381,806	342,729	320,182	291,608	266,429	252,932	221,585
Contribution Deficiency (Excess)	\$ -	-	6,211	21,696	73,300	68,902	95,740	2,922	-	-
Covered Employee Payroll	\$ 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	2,057,126
Contributions as a percentage of Covered Employee Payroll	11.47 %	13.14	14.62	14.63	13.66	12.65	11.64	10.64	10.93	10.77

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	Entry age normal and modified terminal funding
Amortization method	Level percent of payroll, closed
	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
Remaining amortization period	Multiple bases from 14 to 15 years
Asset valuation method	5 years smoothed market; 20% corridor
Inflation	3.25% wage inflation; 2.50% price inflation
Salary increases	3.25% to 6.55%; including wage inflation
Investment rate of return	7.25%, net of investment expenses
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	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, 2017

	<u>Special Revenue</u>		
	<u>Cemetery</u>	<u>Stormwater</u>	
	<u>Fund</u>	<u>Management</u>	<u>Total</u>
		<u>Fund</u>	
ASSETS			
Cash and investments	<u>\$ 83,805</u>	<u>63</u>	<u>83,868</u>
 LIABILITIES AND FUND BALANCES			
 Liabilities	<u>\$ -</u>	<u>-</u>	<u>-</u>
 Fund Balances			
Assigned	<u>83,805</u>	<u>63</u>	<u>83,868</u>
 Total Liabilities And Fund Balances	<u>\$ 83,805</u>	<u>63</u>	<u>83,868</u>

CITY OF UNION, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - COMBINING
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	<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	\$ 950	61	1,011
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER EXPENDITURES	950	61	1,011
OTHER FINANCING SOURCE			
Sale of capital assets	<u>775</u>	<u>-</u>	<u>775</u>
NET CHANGES IN FUND BALANCES	1,725	61	1,786
FUND BALANCES, JULY 1	<u>82,080</u>	<u>2</u>	<u>82,082</u>
FUND BALANCES, JUNE 30	<u>\$ 83,805</u>	<u>63</u>	<u>83,868</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES				
Investment income	\$ 900	900	950	50
OTHER FINANCING SOURCE				
Sale of capital assets	<u>1,500</u>	<u>775</u>	<u>775</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ 2,400</u></u>	<u><u>1,675</u></u>	<u>1,725</u>	<u><u>50</u></u>
FUND BALANCE, JULY 1			<u>82,080</u>	
FUND BALANCE, JUNE 30			<u><u>\$ 83,805</u></u>	

CITY OF UNION, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -
STORMWATER MANAGEMENT FUND - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES				
Investment income	\$ -	61	61	-
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>61</u>	61	<u>-</u>
FUND BALANCE, JULY 1			<u>2</u>	
FUND BALANCE, JUNE 30			<u>\$ 63</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
OPERATING REVENUES				
Charges for services:				
Water	\$ 1,068,000	1,063,040	1,105,605	42,565
Sewer	799,000	813,095	820,602	7,507
Total Operating Revenues	<u>1,867,000</u>	<u>1,876,135</u>	<u>1,926,207</u>	<u>50,072</u>
OPERATING EXPENSES				
Depreciation	-	743,066	743,062	(4)
Water	1,261,599	892,194	725,669	(166,525)
Sewer	1,142,159	758,334	722,175	(36,159)
Total Operating Expenses	<u>2,403,758</u>	<u>2,393,594</u>	<u>2,190,906</u>	<u>(202,688)</u>
OPERATING LOSS	<u>(536,758)</u>	<u>(517,459)</u>	<u>(264,699)</u>	<u>252,760</u>
NONOPERATING REVENUES (EXPENSES)				
Taxes	958,000	958,000	958,372	372
Investment income	55,000	37,715	40,008	2,293
Intergovernmental	70,722	70,722	73,459	2,737
Insurance reimbursement	-	144,124	144,124	-
Miscellaneous	52,000	35,631	28,083	(7,548)
Interest expense and fiscal charges	<u>(281,190)</u>	<u>(271,490)</u>	<u>(270,824)</u>	<u>(666)</u>
Total Nonoperating Revenues (Expenses)	<u>854,532</u>	<u>974,702</u>	<u>973,222</u>	<u>(1,480)</u>
CHANGE IN NET POSITION	<u>\$ 317,774</u>	<u>457,243</u>	<u>708,523</u>	<u>251,280</u>
NET POSITION, JULY 1			<u>23,017,305</u>	
NET POSITION, JUNE 30			<u>\$ 23,725,828</u>	

CITY OF UNION, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - STATEMENT OF
CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Balance June 30 2016	Additions	Deductions	Balance June 30 2017
POLICE EVIDENCE ACCOUNT				
ASSETS				
Cash	<u>\$ 7,731</u>	<u>38,057</u>	<u>-</u>	<u>45,788</u>
LIABILITIES				
Due to others	<u>\$ 7,731</u>	<u>38,057</u>	<u>-</u>	<u>45,788</u>
DONATIONS - VETERANS MEMORIAL				
ASSETS				
Cash	<u>\$ 70,415</u>	<u>-</u>	<u>48,849</u>	<u>21,566</u>
LIABILITIES				
Due to others	<u>\$ 70,415</u>	<u>-</u>	<u>48,849</u>	<u>21,566</u>
TOTAL				
ASSETS				
Cash	<u>\$ 78,146</u>	<u>38,057</u>	<u>48,849</u>	<u>67,354</u>
LIABILITIES				
Due to others	<u>\$ 78,146</u>	<u>38,057</u>	<u>48,849</u>	<u>67,354</u>

SECTION III
STATISTICAL INFORMATION SECTION

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

Contents	Pages
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	67 - 71
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	72 - 77
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.	78 - 80
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.	81 - 82
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.	83 - 86
Bond Annual Report	
These schedules contain information regarding City finances, the water and sewer system, and the debt of the City.	87 - 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									
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Governmental Activities										
Net investment in capital assets	\$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	11,862,875
Restricted	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	4,637,719
Unrestricted	<u>7,931,830</u>	<u>7,147,545</u>	<u>9,802,932</u>	<u>8,041,078</u>	<u>7,857,748</u>	<u>7,198,153</u>	<u>6,525,788</u>	<u>6,121,098</u>	<u>5,699,764</u>	<u>4,533,001</u>
Total Governmental Activities Net Position	<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>	<u>21,033,595</u>
Business-type Activities										
Net investment in capital assets	\$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	14,816,373
Restricted	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	1,116,280
Unrestricted	<u>5,034,318</u>	<u>4,247,784</u>	<u>4,375,578</u>	<u>3,668,023</u>	<u>3,582,049</u>	<u>2,876,798</u>	<u>1,707,939</u>	<u>1,406,527</u>	<u>881,091</u>	<u>717,635</u>
Total Business-type Activities Net Position	<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>	<u>16,650,288</u>
Primary Government										
Net investment in capital assets	\$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	26,679,248
Restricted	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	5,753,999
Unrestricted	<u>12,966,148</u>	<u>11,395,329</u>	<u>14,178,510</u>	<u>11,709,101</u>	<u>11,439,797</u>	<u>10,074,951</u>	<u>8,233,727</u>	<u>7,527,625</u>	<u>6,580,855</u>	<u>5,250,636</u>
Total Primary Government Net Position	<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>	<u>37,683,883</u>

Source: Basic financial statements.

For fiscal year 2011 GASB 54 was implemented.

GASB 63 and 65 were implemented in 2013.

GASB 68 implemented in 2015.

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

For The Years Ended June 30										
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
EXPENSES										
Governmental Activities										
General government	\$ 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	1,409,039
Public safety	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	1,352,696
Street department	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	916,981
Refuse collection and other	731,434	699,791	692,069	719,926	685,319	654,684	629,811	592,645	512,651	489,344
Culture and recreation	954,488	953,042	860,273	770,646	783,062	815,708	806,043	769,928	748,890	716,764
Planning and development	556,386	424,833	307,401	327,350	443,223	424,311	467,831	438,776	405,875	468,972
Building maintenance	167,907	142,412	128,228	93,606	91,195	88,191	98,971	89,991	100,942	84,915
Interest and fiscal charges	106,936	115,633	148,166	-	-	-	-	27,938	327,304	134,636
Total Governmental Activities Expenses	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	5,573,347
Business-type Activities										
Water/sewer	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	1,837,237
Total Primary Government Expenses	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	7,410,584
PROGRAM REVENUES										
Governmental Activities										
Charges for services:										
General government	180,656	259,327	166,000	122,774	130,513	118,259	101,071	129,462	104,800	145,709
Public safety	276,501	189,185	209,644	254,751	220,525	252,748	233,018	192,358	179,989	163,715
Street department	21,748	21,991	11,379	12,574	11,500	274	-	5,105	642	1,651
Refuse collection and other	749,329	717,605	709,069	736,780	702,390	667,132	643,247	603,578	499,050	473,582
Culture and recreation	202,641	200,141	178,943	175,487	190,601	228,111	226,439	217,506	213,116	237,257
Planning and development	1,356	50	125	1,659	7,139	1,397	70	711	16,272	-
Operating grants and contributions	656,919	439,634	422,298	415,010	446,878	360,839	354,900	383,815	426,906	458,802
Capital grants and contributions	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	6,508,952
Total Governmental Activities Program Revenues	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	7,989,668
Business-type Activities										
Charges for services:										
Water/sewer	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	1,899,237
Operating grants and contributions	-	-	-	-	-	-	-	-	-	22,351
Capital grants and contributions	-	-	127,036	-	-	97,081	693,237	229,045	58,120	680,401
Total Business-type Activities Program Revenues	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	2,601,989
Total Primary Government Program Revenues	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	10,591,657

(Continued)

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

	For The Years Ended June 30									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
NET REVENUES (EXPENSES)										
Governmental activities	(5,323,891)	(4,198,662)	(4,281,608)	(4,042,777)	(3,934,126)	(4,491,036)	(3,515,530)	(3,438,132)	(4,849,987)	2,416,321
Business-type activities	(535,523)	(516,665)	(393,560)	(480,363)	(569,219)	(402,039)	427,519	101,390	(126,218)	764,752
Total Primary Government Net Revenues (Expenses)	(5,859,414)	(4,715,327)	(4,675,168)	(4,523,140)	(4,503,345)	(4,893,075)	(3,088,011)	(3,336,742)	(4,976,205)	3,181,073
GENERAL REVENUES AND OTHER CHANGE IN NET POSITION										
Governmental Activities										
Taxes:										
Sales	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	2,523,912
Property	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	974,171
Franchise	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	1,385,504
Other	417,449	233,666	462,647	294,420	496,310	496,310	222,428	275,591	384,789	338,589
Investment income	124,055	170,785	133,627	103,809	127,053	127,053	125,950	139,420	196,484	234,887
Grants and contributions not restricted to specific programs	347,091	-	-	-	-	-	-	-	-	-
Gain on sale of capital assets	12,503	11,525	131,975	1,225	64,840	64,840	108,083	1,625	94,746	1,947,996
Rental income	-	-	-	-	-	-	-	-	71,911	56,183
Miscellaneous	18,861	23,689	352,098	16,259	24,319	24,319	31,153	624,010	454,700	18,174
Transfers	-	-	-	525,644	-	-	-	-	(338,600)	257,718
Total Governmental Activities General Revenues And Other Change In Net Position	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	7,737,134
Business-type Activities										
Sales taxes	958,372	943,861	918,393	869,029	826,940	826,940	800,671	775,930	792,580	840,905
Investment income	40,008	38,377	53,942	58,322	69,261	69,261	92,604	46,675	45,092	47,548
Grants and contributions not restricted to specific programs	73,459	68,295	70,092	71,450	79,655	81,308	41,430	-	-	-
Miscellaneous	172,207	37,197	43,252	36,754	55,006	60,423	56,656	64,517	29,317	30,568
Transfers	-	-	-	(525,644)	-	-	-	-	338,600	(257,718)
Total Business-type Activities General Revenues And Other Change In Net Position	1,244,046	1,087,730	1,085,679	509,911	1,030,862	1,037,932	991,361	887,122	1,205,589	661,303
Total Primary Government General Revenues And Other Change In Net Position	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	8,398,437
CHANGE IN NET POSITION										
Governmental activities	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	10,153,455
Business-type activities	708,523	571,065	692,119	29,548	461,643	635,893	1,418,880	988,512	1,079,371	1,426,055
Total Primary Government	<u>\$ 2,012,318</u>	<u>2,368,256</u>	<u>2,990,238</u>	<u>2,284,065</u>	<u>2,400,599</u>	<u>2,017,939</u>	<u>3,338,570</u>	<u>3,313,041</u>	<u>1,694,918</u>	<u>11,579,510</u>

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									
		2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Fund											
Reserved	\$	-	-	-	-	-	-	-	131,912	144,600	73,124
Unreserved		-	-	-	-	-	-	-	6,000,991	5,529,031	4,409,421
Nonspendable		2,619,560	2,133,664	105,016	100,613	89,764	89,500	100,000	-	-	-
Committed		2,472,000	3,288,500	3,002,000	2,511,326	2,218,000	3,211,500	2,615,000	-	-	-
Assigned		-	-	4,793,000	4,720,000	4,700,000	3,350,000	3,250,000	-	-	-
Unassigned		3,913,709	2,885,761	359,739	868,993	978,148	606,003	602,675	-	-	-
Total General Fund		\$ 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	4,482,545
Park Fund											
Reserved	\$	-	-	-	-	-	-	-	33,662	28,355	13,500
Unreserved		-	-	-	-	-	-	-	23,986	491,344	453,865
Nonspendable		40,000	40,000	30,000	35,000	37,500	37,500	35,000	-	-	-
Restricted		4,166	-	3,527,955	-	-	-	-	-	-	-
Assigned		-	2,748,239	193,419	88,378	263,916	263,091	178,446	-	-	-
Unassigned		(2,555,768)	(2,606,656)	-	-	-	-	-	-	-	-
Total Park Fund		\$ (2,511,602)	181,583	3,751,374	123,378	301,416	300,591	213,446	57,648	519,699	467,365
Transportation Tax Fund											
Unreserved	\$	-	-	-	-	-	-	-	725,344	684,254	1,377,085
Restricted		1,360,116	1,355,745	1,272,245	1,160,530	1,078,727	987,060	842,110	-	-	-
Total Transportation Tax Fund		\$ 1,360,116	1,355,745	1,272,245	1,160,530	1,078,727	987,060	842,110	725,344	684,254	1,377,085
2006B Certificates Of Participation Fund											
Reserved	\$	-	-	-	-	-	-	-	227,502	227,500	227,814
Unreserved		-	-	-	-	-	-	-	295,134	297,984	2,344,595
Total 2006B Certificates Of Participation Fund		\$ -	-	-	-	-	-	-	522,636	525,484	2,572,409
All Other Governmental Funds											
Unreserved, reported in:											
Special Revenue Funds	\$	-	-	-	-	-	-	-	145,703	140,352	135,085
Debt Service Funds		-	-	-	-	-	-	-	79,896	77,835	85,775
Assigned		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		\$ 83,868	82,082	80,601	72,321	70,136	67,135	136,149	225,599	218,187	220,860

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									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
REVENUES										
Taxes	\$ 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	5,501,547
Fines and forfeitures	90,781	83,210	103,705	128,137	139,622	167,352	145,259	112,758	111,930	128,722
Licenses and permits	152,841	235,599	135,898	99,252	106,492	96,899	80,384	90,640	102,739	144,464
Charges for services	1,100,971	1,000,227	969,521	1,006,397	939,849	944,377	918,383	865,901	759,292	680,594
Intergovernmental	1,042,784	1,357,442	751,876	1,111,810	1,079,341	561,638	583,357	1,124,971	461,186	696,473
Donations	203,650	-	-	-	-	-	-	-	-	-
Investment income	124,055	170,785	133,627	103,809	127,053	122,852	125,950	139,420	196,484	234,887
Rental income	27,815	23,160	29,860	22,970	23,905	21,360	20,421	36,701	71,911	56,183
Miscellaneous	199,425	74,267	386,611	52,555	76,690	465,267	63,106	659,360	514,586	97,135
Total Revenues	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	7,540,005
EXPENDITURES										
General government	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	1,395,844
Public safety	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	1,239,194
Street department	758,896	552,595	1,031,489	1,025,890	595,350	1,115,223	923,210	720,193	600,529	523,690
Refuse collection and other	731,434	699,791	692,069	719,926	685,319	654,684	629,811	592,645	512,651	489,344
Culture and recreation	904,581	736,231	841,190	673,652	654,695	706,866	690,242	682,274	1,803,051	587,083
Planning and development	540,982	334,864	283,981	303,949	295,725	277,659	309,874	285,952	253,080	278,800
Building maintenance	90,268	76,988	72,254	65,589	70,629	72,213	75,025	72,569	80,988	67,445
Stormwater management	4,392,413	-	-	-	-	71,602	14,777	-	-	-
Capital outlay	-	6,363,839	2,366,375	2,213,241	2,349,780	1,175,516	1,226,190	1,905,086	1,788,263	1,713,852
Debt service:										
Principal	205,000	185,000	-	-	-	-	-	1,095,250	1,795,000	270,000
Interest and fiscal charges	110,115	130,505	-	-	-	-	-	27,938	66,319	112,124
Bond issuance costs	-	-	85,635	-	-	-	-	-	-	-
Total Expenditures	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	6,677,376
REVENUES OVER (UNDER) EXPENDITURES										
	(2,239,304)	(3,448,690)	82,114	(407,124)	757,752	723,563	508,103	39,625	(2,351,505)	862,629
OTHER FINANCING SOURCES (USES)										
Sale of capital assets	33,100	12,050	134,700	2,450	66,650	128,846	109,783	3,250	95,846	1,974,898
Other reimbursement	216,520	-	-	-	-	-	-	-	-	-
Capital lease	-	-	-	-	-	-	-	-	-	43,087
Note payable	-	-	-	-	-	-	-	-	1,095,250	-
Issuance of certificates of participation	-	-	3,590,000	-	-	-	-	-	-	-
Transfers in	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	995,555
Transfers out	(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)	(737,837)
Total Other Financing Sources (Uses)	249,620	12,050	3,724,700	528,094	66,650	128,846	109,783	3,250	852,496	2,275,703
NET CHANGES IN FUND BALANCES										
	\$ (1,989,684)	(3,436,640)	3,806,814	120,970	824,402	852,409	617,886	42,875	(1,499,009)	3,138,332
Debt service as a percentage of noncapital expenditures	4.53 %	5.00	N/A	N/A	N/A	N/A	N/A	13.5	25.1	7.4

Source: Basic financial statements.

For fiscal year 2011 GASB 54 was implemented.

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

FUNCTIONS/PROGRAMS	June 30									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Primary Government										
Governmental Activities										
General government	\$ 180,656	259,327	166,000	122,774	130,513	118,259	101,071	129,462	104,800	145,709
Public safety	311,594	189,185	236,155	290,362	295,310	273,857	286,204	295,769	369,044	340,771
Street department	1,221,644	21,991	1,475,359	1,710,244	1,402,786	880,533	1,778,114	1,482,449	722,870	6,778,374
Refuse collection and other	749,329	717,605	709,069	736,780	702,390	667,132	643,247	603,578	499,050	473,582
Culture and recreation	425,792	200,141	204,398	175,487	201,589	228,111	230,939	219,371	237,549	251,232
Planning and development	211,989	50	125	1,659	7,139	1,397	70	711	16,272	-
Total Governmental Activities	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	7,989,668
Business-type Activities										
Water/sewer	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	2,601,989
Total Primary Government	<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>	<u>10,591,657</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
2017	\$ 2,875,083	\$ 1,210,194	\$ 1,628,176	\$ 828,642	\$ 6,542,095
2016	2,831,617	1,163,808	1,576,331	635,658	6,207,414
2015	2,755,362	1,168,816	1,596,160	858,434	6,378,772
2014	2,608,141	1,145,869	1,632,039	673,819	6,059,868
2013	2,480,898	1,477,627	1,579,086	496,310	6,033,921
2012	2,492,053	1,062,033	1,473,767	600,608	5,628,461
2011	2,402,085	1,035,513	1,472,202	519,642	5,429,442
2010	2,327,690	1,090,725	1,338,241	568,324	5,324,980
2009	2,378,862	997,214	1,215,314	674,261	5,265,651
2008	2,523,912	945,460	1,385,504	646,671	5,501,547

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	
		Residential Property	Commercial Property	Agricultural Property	Assessed Value	Estimated Actual Value
2017	2016	\$ 79,002,791	\$ 51,589,269	\$ 1,578,735	\$ 132,170,795	\$ 590,176,754
2016	2015	77,983,393	48,847,762	1,752,664	128,583,819	577,693,700
2015	2014	76,966,596	51,658,063	1,685,829	130,310,488	580,567,369
2014	2013	75,746,784	51,827,926	1,748,840	129,323,550	575,203,220
2013	2012	80,476,030	53,340,027	1,489,762	135,305,819	602,660,320
2012	2011	79,389,683	52,131,019	1,516,901	133,037,603	593,390,713
2011	2010	79,960,246	53,557,035	1,559,335	135,076,616	601,203,593
2010	2009	78,452,987	50,862,259	1,546,562	130,861,808	584,742,034
2009	2008	77,384,338	49,068,689	1,435,266	127,888,293	572,586,193
2008	2007	74,756,189	47,180,068	1,647,990	123,584,247	554,624,589

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		
2017	2016	\$ 5,684,278	\$ 18,389,586	\$ 171,951,387	\$ 722,220,720	0.7234	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
2008	2007	4,453,221	13,775,317	156,024,858	652,362,076	0.6360	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									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
City of Union:										
General Fund	0.583	0.581	0.566	0.564	0.541	0.538	0.529	0.524	0.515	0.513
Union Park Fund	0.140	0.140	0.136	0.136	0.130	0.130	0.127	0.126	0.124	0.123
Total City Of Union	0.723	0.721	0.702	0.700	0.671	0.668	0.656	0.650	0.639	0.636
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	0.919	0.939	0.941	0.903	0.910	0.090	0.881	0.884	0.884
Union Fire Protection District	0.125	0.124	0.130	0.138	0.130	0.273	0.269	0.269	0.269	0.268
Union Ambulance District	0.046	0.179	0.177	0.177	0.168	0.168	0.165	0.165	0.166	0.165
Union School District	3.840	3.750	3.750	3.750	3.750	3.750	3.700	3.700	3.700	3.510
East Central College	0.454	0.454	0.454	0.454	0.440	0.439	0.433	0.433	0.435	0.431
The Franklin County Library District	0.201	0.201	0.201	0.083	0.078	0.078	0.076	0.076	0.092	0.091

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

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

Taxpayer	2017			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	\$ 3,206,032	1	1.86 %	\$ -	-	%
Stoneridge Rentals LLC	1,347,311	2	0.78	-	-	-
Earle M Jorgensen Company	1,339,629	3	0.78	-	-	-
MO Natural Gas	1,336,106	4	0.78	734,410	9	0.45
Walmart	1,328,310	5	0.77	1,904,742	2	1.16
Black Creek Corporation	1,210,675	6	0.70	864,783	7	0.53
D R G Plastics Inc.	1,070,797	7	0.62	1,161,894	3	0.71
Meramec Valley Development	1,070,797	8	0.62	-	-	-
Crystal MO	984,599	9	0.57	-	-	-
Union Housing Corporation	939,170	10	0.55	1,140,336	4	0.69
Esselte Business Corporation	-	-	-	3,812,169	1	2.32
MHB LLC	-	-	-	1,113,712	5	0.68
Bequette Properties LLC	-	-	-	796,176	8	0.48
United Bank of Union	-	-	-	919,566	6	0.56
Franklin Co Medical Outreach	-	-	-	696,304	10	0.42
Total	<u>\$ 13,833,426</u>		<u>8.03 %</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
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
2008	2007	965,544	842,659	87.3	92,112	934,771	96.8	122,885	12.73

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

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

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

Fiscal Year	Governmental Activities			Business-type Activities			Total Primary Government	Percentage Of Personal Income (1)		Per Capita (1)
	Capital Lease Obligations	Certificates Of Participation	Loan Payable	Capital Lease Obligation	Certificates Of Participation	Revenue Bonds				
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
2008	34,407	1,795,000	-	900,169	4,045,000	-	6,774,576	1.98		700

(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, 2017

Name Of Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share Of Overlapping Debt
East Central College	\$ 12,323,271	11.00 %	\$ 1,355,560
Union School District	30,330,000	45.00	13,648,500
	42,653,271		15,004,060
City direct debt	3,200,000	100.00 %	3,200,000
Total Direct And Overlapping Debt	<u>\$ 45,853,271</u>		<u>\$ 18,204,060</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									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Assessed Value	<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>	<u>156,024,858</u>
Debt limit - 10% of total assessed valuation	<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>	<u>15,602,486</u>
Amount of debt subject to limit:										
Total bonded debt	-	-	-	-	-	-	-	-	-	-
Less - Amounts available in Debt Service Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Amount Of Debt Subject To Limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal Debt Margin	<u>\$ 17,195,139</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>	<u>15,602,486</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)
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
2008	9,684	49,064	\$ 341,302,896	35,244	3,001	6.1

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

<u>Employer</u>	<u>2017</u>			<u>2008</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percent Of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percent Of Total City Employment</u>
Union RXI School District	391	1	14.20 %	382	2	14.75 %
Tops Slt, Inc. (Esselte)	362	2	13.14	475	1	18.34
Franklin County Government	359	3	13.04	328	3	12.66
Silgan Plastic Containers	271	4	9.84	209	5	8.07
Wal-Mart Supercenter	230	5	8.35	212	4	8.19
Buddeez (American Plastics)	200	6	7.26	-	-	-
East Central College	198	7	7.19	202	6	7.80
Climate Express	150	8	5.45	-	-	-
Lozier Store Fixtures (Spartan Showcase)	95	9	3.45	122	7	4.71
Pharma Tech Industries	92	10	3.34	72	10	2.78
Sunset Health Care	-	-	-	100	9	3.86
The Children's Factory	-	-	-	114	8	4.40
Total	<u>2,348</u>		<u>85.26 %</u>	<u>2,216</u>		<u>85.56 %</u>

Source: The City's business license database

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

FUNCTIONS/PROGRAMS	Full-Time Equivalent Employees As Of June 30									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
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	1	1	1	1	1	1	1	1	1
Maintenance	4	3	3	3	2	2	2	2	2	2
Public works department:										
Public works director	1	1	1	1	1	1	1	1	1	1
Street foreman	1	1	1	1	1	1	1	1	1	1
Street field foreman	1	1	1	1	1	1	1	1	1	-
Street laborer II	1	1	2	2	4	3	3	3	4	4
Street laborer III	1	1	-	1	-	-	-	-	-	-
Street equipment operator II	4	4	1	1	-	-	-	-	-	-
Street equipment operator IV	-	-	-	-	2	2	2	2	1	2
Street equipment operator III	1	1	4	2	-	1	1	1	1	1
Street mechanic I	1	2	2	2	2	2	2	2	1	1
Street mechanic II	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									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
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	-
Class C operator II	1	1	1	1	1	1	1	1	1	-
Water/Distribution operator	2	2	2	3	2	2	2	1	1	1
Water/Wastewater apprentice	3	2	2	2	3	3	3	4	4	6
Utility billing clerk	1	1	1	1	1	1	1	1	1	1
Accounting clerk	1	1	1	1	1	1	1	1	1	1
Police:										
Police chief	1	1	1	1	1	1	1	1	1	1
Lt. assistant police chief	1	1	1	1	1	1	1	1	1	1
Police sergeant	4	4	4	4	4	4	4	4	4	4
Detective sergeant	1	1	1	1	1	1	1	1	-	-
Detective	1	1	1	1	1	1	1	1	2	2
Corporal	1	1	1	1	1	1	1	1	-	-
School resource officer	4	3	3	3	2	2	2	2	2	1
Parking control officer	1	1	1	1	1	1	1	1	1	1
Patrol officer	9	9	9	8	9	9	9	9	10	9
Police clerks	1	1	1	2	2	2	2	2	2	2
Police Service Technician	1	1	1	1	1	1	1	1	1	1
Municipal Court Department:										
Municipal court clerk	1	1	1	1	1	1	1	1	1	1
Municipal judge	1	1	1	1	1	1	1	1	1	1

Source: City payroll department records

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

FUNCTIONS/PROGRAMS	June 30									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Police - patrol:										
Arrests	1,088	824	765	816	1,063	746	787	705	665	475
Traffic citations	1,626	1,614	1,354	1,720	1,972	2,141	2,857	1,733	1,573	1,416
Crime reports	3,201	3,110	2,932	3,342	3,418	3,291	3,633	4,034	3,991	3,846
Accident reports	491	506	466	505	509	447	493	521	520	548
Public works:										
Road repair - tons of mix	1,302	1,385	2,004	2,310	1,485	1,858	1,543	1,686	1,453	955
Traffic control signs serviced	235	146	215	232	245	293	202	294	97	88
Storm sewer grates and lids inspected	1,032	1,166	1,107	1,080	1,160	1,134	1,130	1,069	921	1,082
Parks:										
Acres mowed and maintained	231	231	231	187	187	187	187	187	187	187
Trees and shrubs planted	141	-	-	6	-	10	-	8	4	3
Engineering/building inspection:										
Rezoning applications	3	1	1	-	-	1	-	1	3	2
Building permits issued	308	284	289	238	230	197	190	194	147	253
Water permits issued	120	90	108	50	89	74	58	50	42	80
Sewer permits issued	119	86	104	43	82	73	55	48	36	74
Finance and administration:										
Business licenses issued	657	662	648	653	658	667	694	655	583	684
Payroll checks issued	1,263	1,986	4,111	3,952	4,034	4,245	4,002	4,102	4,015	3,769
Accounts payable processed	2,075	2,073	1,996	2,064	2,087	2,209	2,459	2,216	2,598	2,494
Requests for public records	13	13	9	9	3	2	2	4	3	2
Liquor licenses issued	18	52	17	36	87	57	62	50	46	45

Source: City records - various departments listed

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

FUNCTIONS/PROGRAMS	June 30									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Marked patrol units	11	11	11	11	11	10	10	13	13	12
Public works:										
Miles of streets	88.88	88.88	88.88	88.10	88.10	87.96	87.96	87.59	87.10	87.10
Traffic lights and signals	-	-	-	-	-	1	2	2	2	2
Miles of sanitary sewer line	78.95	78.95	78.95	76.80	76.80	76.60	76.28	75.55	74.68	74.68
Number of meters	4,494	4,494	4,402	4,742	4,238	4,161	4,017	3,905	3,975	3,975
Miles of water line	86.76	86.76	86.76	83.92	83.92	83.76	83.74	83.14	82.60	82.60
Number of pumping stations	16	16	16	16	16	16	15	16	16	14
Parks and recreation:										
Number of parks	5	5	5	5	5	5	5	5	5	5
Acres of parks	222	222	178	178	178	178	178	178	178	178
Tennis courts	4	4	4	4	4	4	4	4	4	4
Swimming pools	1	1	1	1	1	1	1	1	1	1
Volleyball courts	2	2	2	2	2	2	2	2	2	2
Basketball courts	4	4	4	4	4	4	4	4	4	4
Baseball/softball fields	14	14	9	9	9	9	9	9	9	9
Playgrounds	7	5	5	5	5	5	5	5	5	5
Soccer fields	8	8	5	5	5	5	5	5	5	5

Source: City finance department records

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

CITY OF UNION, MISSOURI
STATISTICAL INFORMATION

BOND ANNUAL REPORT

Name of Issuer: City of Union, Missouri

Name of Issue(s)/Date of Issuance:

\$3,655,000

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

Series 2010A

Date of Issuance: September 29, 2010

\$50,000

Taxable Combined Waterworks and Sewerage System Revenue Bonds
Series 2010B

Date of Issuance: September 29, 2010

\$2,370,000

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

Date of Issuance: March 21, 2013

\$1,300,000

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

Date of Issuance: March 21, 2013

\$3,590,000

Certificates of Participation (City of Union, Missouri, Lessee) General Fund
Series 2014

Date of Issuance: December 17, 2014

Date of Report: December 4, 2017

Relating to CUSIP Nos.:

Series 2010A Bonds	Series 2010B Bonds	Series 2013A Certificates	Series 2013B Certificates	Series 2014 Certificates
907097 BF5 907097 BG3 907097 BH1 907097 BJ7	907097 BK4	907096 BH3 907096 BJ9 907096 BK6 907096 BL4 907096 BM2 907096 BN0 907096 BP5 907096 BQ3 907096 BR1	907096 BS9 907096 BT7 907096 BU4 907096 BV2 907096 BW0 907096 BX8	N/A

CITY OF UNION, MISSOURI

STATISTICAL INFORMATION

AUDITED FINANCIAL STATEMENTS OF THE CITY

The Audited Financial Statements for the fiscal year ended June 30, 2017 have been filed and are available on the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org.

ANNUAL FINANCIAL INFORMATION AND OPERATING DATA

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

Sources of Revenue

General. The City finances its General Fund through the sales tax, local property tax levy, various other taxes, a variety of license and permit fees and other miscellaneous sources as indicated below for the 2017 fiscal year:

Source	2017	Percent Of Total
Taxes	\$5,301,641	59.2
Fines and forfeitures	90,781	1.0
Licenses and permits	152,841	1.7
Charges for services	908,046	10.2
Intergovernmental	1,015,079	11.3
Investment income	93,799	1.1
Rental income	27,815	0.3
Miscellaneous	145,191	1.6
Sale of capital assets	32,235	0.4
Other reimbursement	216,520	2.4
Transfers in	968,500	10.8
Total Revenues	\$8,952,538	

Source: City's budget for the fiscal year ended June 30, 2017.

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

Fiscal Year	Amount Collected	Percent Change
2013	\$826,940	(0.045)%
2014	869,029	5.1
2015	918,393	5.7
2016	943,861	2.8
2017	958,372	1.5

CITY OF UNION, MISSOURI
STATISTICAL INFORMATION

B. THE SYSTEM - *Customers and Usage*

Customers and Usage

Existing Customers. Currently, the total number of active customers of the System is 4,571. The System services all residential and commercial facilities in the City. The following table sets forth the total number of customers of the System for the following years:

<u>Year</u>	<u>Total Number Of Customers</u>	<u>Percentage Increase</u>
2013	4,198	0.9100%
2014	4,381	4.3600
2015	4,402	0.0048
2016	4,494	0.0208
2017	4,571	0.0171

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

<u>Year</u>	<u>Gallons Sold</u>
2013	296,434,290
2014	290,086,901
2015	287,462,760
2016	286,049,645
2017	295,137,486

Largest System Customers. The following table shows the total gallons used by and amount billed to the largest customers of the System for the fiscal year ended June 30, 2017:

<u>Customer</u>	<u>Type Business</u>	<u>Gallons Used</u>	<u>Dollar Billing</u>
1. East Central College	College	4,171,750	\$27,489
2. Silgan Plastics	Mfg. - Plastic Containers	6,672,500	26,709
3. Sunset Nursing Home	Nursing Home	4,575,500	24,355
4. Union R-XI School District	Public School	2,228,200	21,075
5. American Plastics Group	Mfg. - Plastic Containers	5,088,250	12,900
6. Gateway Extrusions Ltd.	Mfg. - Aluminum extrusion services	2,732,900	16,772
7. One Independence Drive LLC	Restaurant	2,398,000	13,374
8. #1 Laundromat	Laundry mat	1,965,000	11,041
9. TOPS STL	Mfg. - Paper Products	1,907,500	11,133
10. Havin Material Service	Construction material	2,052,550	6,568

CITY OF UNION, MISSOURI

STATISTICAL INFORMATION

Water and Sewer Rates

The following table shows the current monthly water rates:

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

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

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

Billing and Collection

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

<u>Water System</u>			
<u>Year</u>	<u>Amount Billed</u>	<u>Amount Collected</u>	<u>Percentage Collected</u>
2013	\$978,170	\$961,552	98.3%
2014	976,947	962,768	98.5
2015	971,298	956,792	98.5
2016	969,221	955,343	98.6
2017	998,245	984,097	98.6

<u>Sewer System</u>			
<u>Year</u>	<u>Amount Billed</u>	<u>Amount Collected</u>	<u>Percentage Collected</u>
2013	\$699,657	\$783,675	100.0%
2014	792,698	787,675	99.4
2015	798,350	793,122	99.3
2016	799,768	793,851	99.3
2017	811,788	805,448	99.2

CITY OF UNION, MISSOURI

STATISTICAL INFORMATION

Historic Debt Service Coverage Table

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Operating Revenues	\$1,874,208	1,856,495	1,857,564	1,923,603	1,926,207
Nonoperating Revenues	124,267	95,076	97,194	75,574	68,091
Capital Improvement Sales Tax Revenue	826,940	869,029	918,393	943,861	958,372
Operating Expenses ⁽¹⁾	<u>(1,325,837)</u>	<u>(1,316,952)</u>	<u>(1,388,962)</u>	<u>(1,447,642)</u>	<u>(1,447,844)</u>
Revenue Available For Debt Service	<u>\$1,499,578</u>	<u>1,503,648</u>	<u>1,484,189</u>	<u>1,495,396</u>	<u>1,504,826</u>
Debt Service Requirements ⁽²⁾	<u>\$ 585,451</u>	<u>619,96</u>	<u>658,251</u>	<u>653,177</u>	<u>656,312</u>
Debt Service Coverage	2.56x	2.29x	2.25x	2.29x	2.29x

⁽¹⁾ Excludes depreciation and amortization expenses.

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

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

Revenue Obligations

In 2010, the City issued the Series 2010A Bonds and Series 2010B Bonds to provide funds to improve and expand the System. The Series 2010B Bonds are no longer outstanding. The Series 2010A Bonds are currently outstanding in the aggregate principal amount of \$2,790,000.

In 2013, the City refinanced the Series 2006A Bonds. The Series 2013A Bonds are currently outstanding in the aggregate principal amount of \$2,370,000 and the Series 2013B Bonds are currently outstanding in the aggregate principal amount of \$375,000.