

City of
Mexico, Missouri



**POPULAR ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2015**

A MESSAGE FROM THE CITY MANAGER AND DEPUTY CITY MANAGER

Dear Residents of Mexico,

We are pleased to present to you the City of Mexico's Popular Annual Financial Report (PAFR) regarding the finances and administrative activities of the City for the fiscal year ended September 30, 2015. This report provides a brief analysis of where the City revenue comes from and where those dollars are spent as well as trends in the local economy.

This report is intended to summarize the financial activities of the City of Mexico government and includes a portion of the information that appears in the 2015 Comprehensive Annual Financial Report (CAFR). The information in the CAFR, by its nature, can be technical and complex and as such not as useful to citizens wishing to gain an overview of the City's finances. The CAFR is prepared in accordance with generally accepted accounting principles (GAAP), includes audited financial statements and is available on the city's website: www.mexicomissouri.net.

This report has been prepared to simplify the information in the CAFR and better inform the public about the overall financial condition of the City, without the heavy use of technical accounting terms or excessive detail. Therefore, this report is unaudited and the responsibility for the accuracy and completeness of the data presented rests solely with the City.

The City of Mexico remains extremely stable and fiscally sound. We are committed to preserving our City's long-term financial health as evidenced by our "AA-" Standard & Poor's bond credit rating and fund balance reserves. The City continues to maintain fund balances in compliance with the policy adopted by the City Council. Also, the City has been awarded the Certificate of Achievement for Excellence in Financial Reporting for 26 consecutive years from the Government Finance Officers Association of the United States and Canada.

As you review our PAFR, if you should have any questions or comments regarding the information in this document, please contact us at (573) 581-2100 or email finance@mexicomissouri.org.

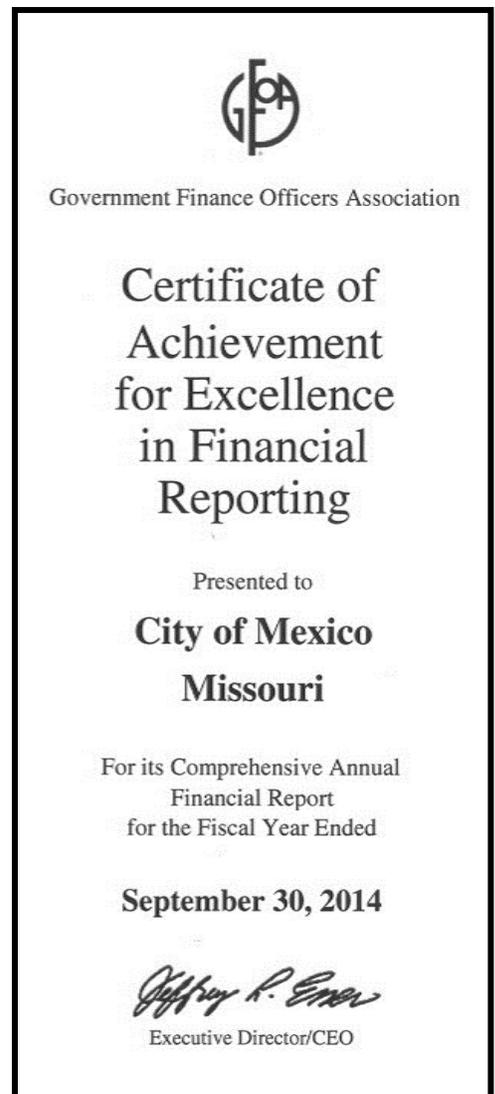
Bruce R. Slagle
City Manager

Roger D. Haynes
Deputy City Manager



BRUCE R. SLAGLE
City Manager

ROGER D. HAYNES
Deputy City Manager
Director of
Administrative Services



CITY PROFILE

Year of Incorporation: 1855

Form of Government:

Third Class City - Council/Manager

Total Land Size: 12.38 sq. miles

Miles of City Streets:

80.28 (city maintained)

Population of Mexico:

11,530 (2010 census)

Registered Voters: 7,051

Total Employees, full time: 86

CITY OF MEXICO MAYOR AND COUNCIL FOR 2015



COUNCILMAN CHRIS MILLER
2015-2018

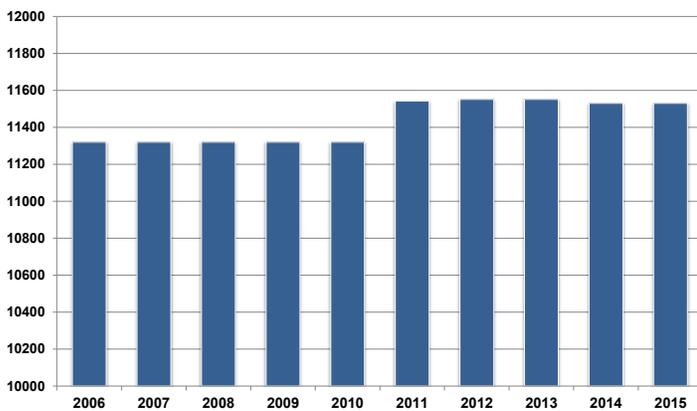
COUNCILMAN STEVE NICHOLS
2005-2017

MAYOR GREG MILLER
2011-2017

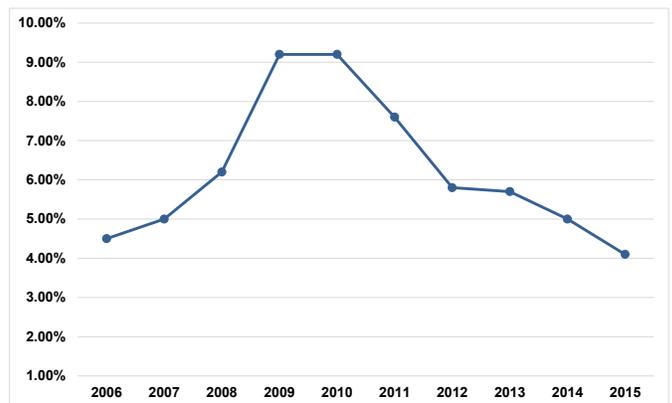
CHAIRMAN PRO TEM CHRIS WILLIAMS
2010-2016

COUNCILMAN RONALD W. LOESCH
2006-2018

POPULATION

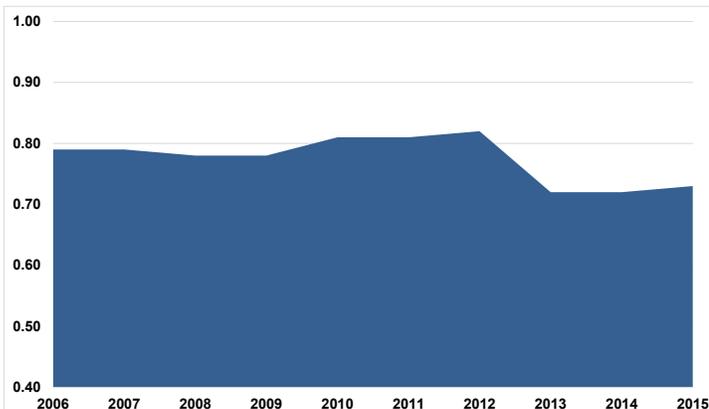


UNEMPLOYMENT RATE



CITY DIRECT TAX RATES

(REAL PROPERTY-PER \$100 ASSESSED VALUE)



36.8

MEDIAN AGE

\$41,487

MEDIAN HOUSEHOLD INCOME

FINANCIAL ACTIVITY STATEMENTS FOR YEARS ENDED SEPTEMBER 30, 2014 AND 2015

ALL GOVERNMENTAL FUND TYPES

Revenues	2015	2014
Property Taxes	\$1,213,951	\$1,059,357
Gross Receipts Tax	\$1,817,210	\$1,924,513
Sales Tax	\$3,988,132	\$3,916,683
Intergovernmental	\$53,229	\$365,398
Licenses and Permits	\$153,361	\$201,748
Fines and Forfeitures	\$99,130	\$55,229
Charges for Services	\$23,913	\$21,206
Contributions	\$137,880	\$0
Investment Income	\$66,284	\$58,693
Miscellaneous	\$668,980	\$751,552
Total Revenues	\$8,222,070	\$8,354,379
Expenditure by Function		
General Government	\$1,117,038	\$1,089,993
Public Safety	\$2,302,288	\$2,247,577
Streets	\$838,931	\$820,953
Cemetery	\$119,150	\$118,230
Parks & Recreation	\$860,816	\$802,909
Public Health	\$336,813	\$301,392
Economic Development	\$151,113	\$145,399
Airport	\$56,207	\$60,099
Community Development	\$342,645	\$443,095
Brush Yard	\$27,141	\$0
Capital Outlay	\$1,737,612	\$1,093,689
Debt Service (Princ & Int)	\$249,104	\$250,460
Total Expenditures	\$8,138,858	\$7,373,796
Other Financing Sources/(Uses)		
Transfers-In	\$1,396,085	\$471,781
Transfers-Out	<u>(\$1,316,085)</u>	<u>(\$471,781)</u>
Net Change in Fund Balance	\$163,212	\$980,583
Fund Balances, October 1	<u>\$7,466,765</u>	<u>\$6,486,182</u>
Fund Balances, September 30	\$7,629,977	\$7,466,765

GOVERNMENTAL FUND TYPES

What does this mean? Governmental Funds track the general and non-enterprise activities of the City.

During 2015, the city's revenues exceeded expenditures in its Governmental Funds. The increase in Fund Balance resulted from savings in expenditures, deferred capital project expenses, and a strong finish in our sales tax revenue .



ENTERPRISE FUNDS

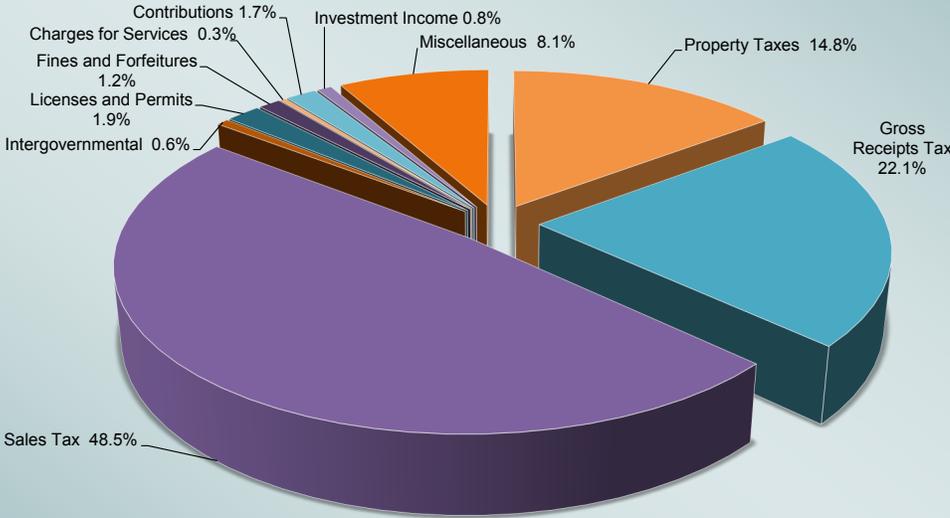
Revenues	2015	2014
Wastewater Revenues	\$2,976,254	\$2,762,403
Sanitation Revenues	\$568,031	\$566,374
Total Revenues	\$3,544,285	\$3,328,777
Operating Expenses		
Wastewater Expenses	\$2,267,028	\$2,248,900
Sanitation Expenses	\$516,545	\$539,860
Total Operating Expenses	\$2,783,573	\$2,788,760
Non-Operating Revenue (Expenses)		
Investment Income	\$34,095	\$35,120
Interest Expense	(\$476,583)	(\$485,469)
Contribution to Others	\$0	\$0
Gain/(Loss) on Assets	\$0	\$5,100
Capital Contributions	\$0	\$0
Transfers (out)	(\$80,000)	\$0
Change in Net Position	\$238,224	\$94,768
Net Position, October 1 (as restated)	\$11,427,143	\$10,975,942
Net Position, September 30	\$11,665,367	\$11,070,710
Net Position, ending (as originally reported)		\$11,070,710
Effect of prior period adjustment		\$356,433
Net Position, ending (as restated)	\$11,427,143	

ENTERPRISE FUNDS

The Enterprise Funds record the financial activity of the operational, debt service, and CIP activities of the wastewater and sanitation funds.

The operating gain in the wastewater fund continues to help generate funds for ongoing collection system improvements and bond payments. The sanitation fund utilized savings on contract services and prior year reserves to help make the transition to the City-run Brush Yard.

WHERE DID THE MONEY COME FROM?



Governmental Fund Revenues	2015
Property Taxes	\$1,213,951
Gross Receipts Tax	\$1,817,210
Sales Tax	\$3,988,132
Intergovernmental	\$53,229
Licenses and Permits	\$153,361
Fines and Forfeitures	\$99,130
Charges for Services	\$23,913
Contributions	\$137,880
Investment Income	\$66,284
Miscellaneous	\$668,980
Total Revenues	\$8,222,070

Property Tax: Revenue generated from the city's tax on real estate and personal property.

Gross Receipts Tax: Generated from the city's business license tax on gross receipts of utilities.

Sales Tax: Generated from the various general, parks, capital improvement, cigarette, and lodging sales taxes.

Intergovernmental: Revenues from grants and pass-through monies from the State of Missouri and the U.S. government, including gasoline tax, auto sales tax, and road and bridge money.

Licenses and Permits: Derived from licenses and permits, such as building permits, motor vehicle and business licenses, required by the city's code or state law.

Fines and Forfeitures: Revenues from fines and costs levied in the court.

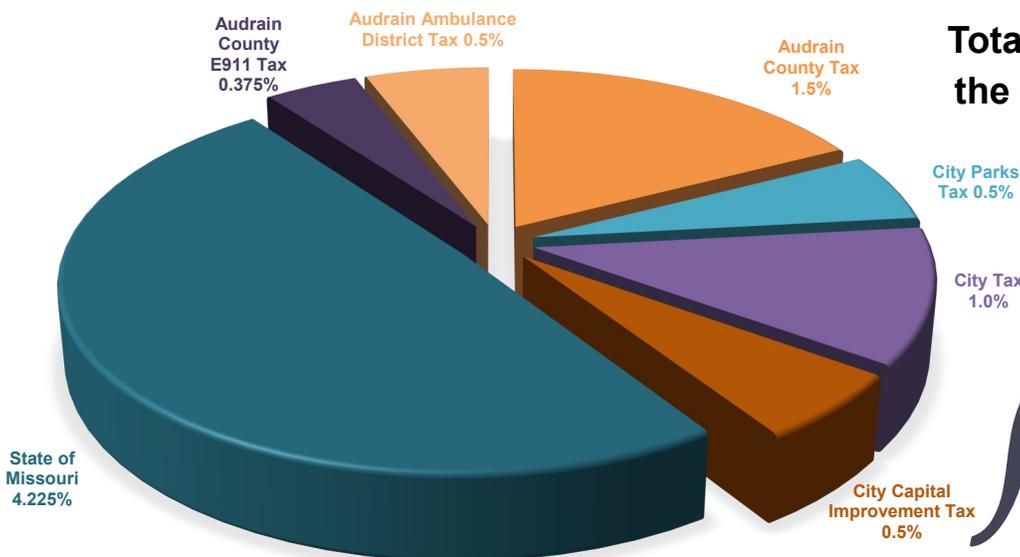
Charges for Services: Includes fees collected for burial permits, administrative reimbursements, use of city facilities, and recreation activities.

Contributions: Revenue received from the Parks Foundation for the Tennis Court.

Investment Income: Revenue earned by investing city funds throughout the year, pursuant to the city's investment policy.

Miscellaneous: Includes reimbursements, donations, sales of equipment, and other sources.

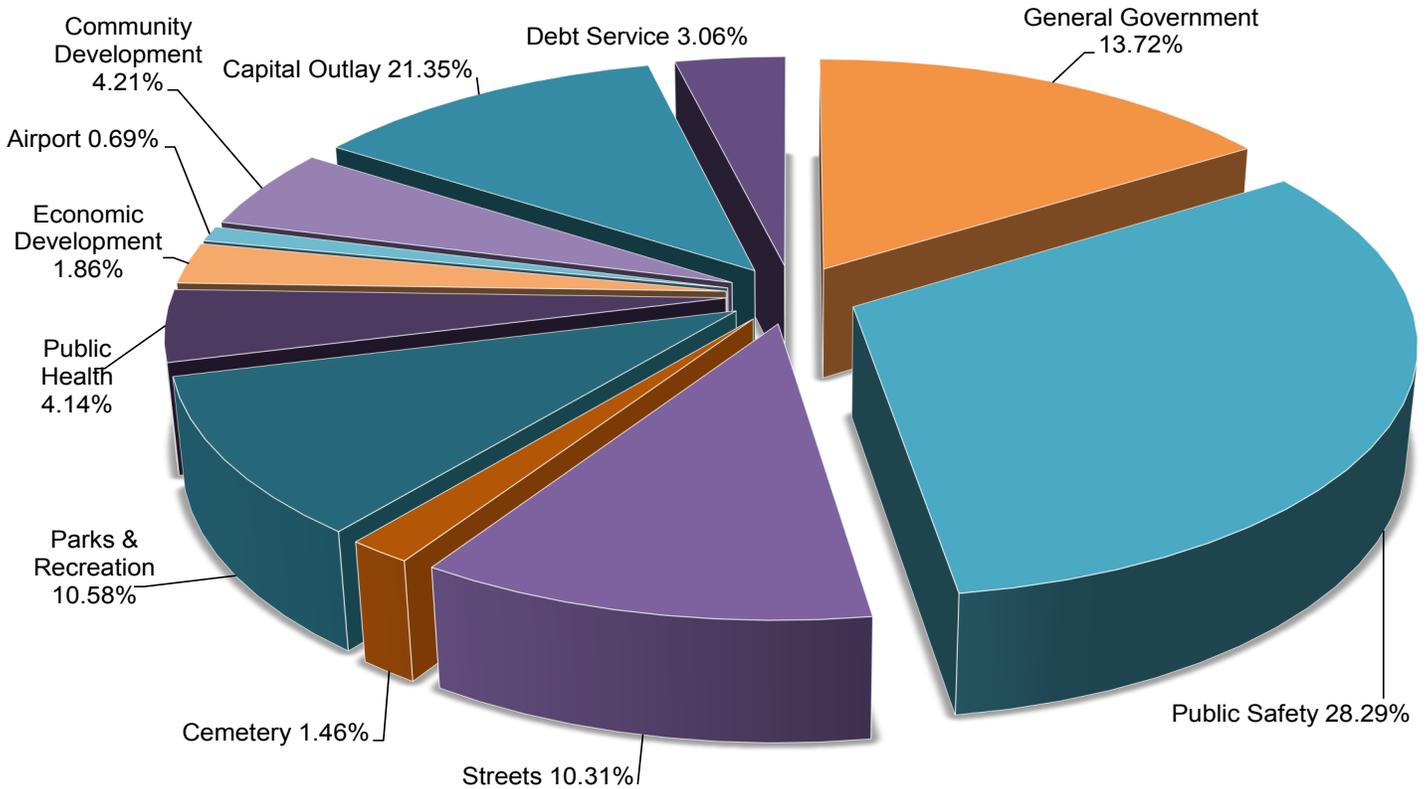
SALES TAX REVENUE SHARED BY MULTIPLE AGENCIES



Total sales tax collected in the City of Mexico is 8.6%

The City of Mexico's rate is 2%

HOW WAS THE MONEY SPENT?



General Government: Expenditures relating to city council, city clerk, city manager, municipal court, administrative services, engineering, insurance, and other related functions.

Public Safety: Expenditures relating to the police and fire department, including administration, investigation, and patrol.

Streets: Expenditures relating to the maintenance of streets, roadways, sidewalks, and storm water drainage.

Cemetery: Expenditures for operation and maintenance of the City-owned Elmwood Cemetery.

Parks & Recreation: Expenditures for maintenance of City Parks, playgrounds, recreation programs, swimming pool, community arts activities.

Public Health: Expenditures for support of public health nursing, environmental sanitation, enforcement of animal control, code enforcement, and operation of the Animal Shelter.

Economic Development: Expenditures for administration and operation of the City's economic development activities, including job creation, and industry recruitment.

Airport: Expenditures relate to maintenance and operation of the City-owned, Mexico Memorial Airport. Includes activity for the airport terminal building, airport hangars, and runway.

Community Development: Expenditures relating to planning, zoning, building inspection, code enforcement.

Brush Yard: Expenditures relate to operation of the residential brush yard and forestry maintenance.

Governmental Fund Expenditures

Governmental Fund Expenditures	2015
General Government	\$1,117,038
Public Safety	\$2,302,288
Streets	\$838,931
Cemetery	\$119,150
Parks & Recreation	\$860,816
Public Health	\$336,813
Economic Development	\$151,113
Airport	\$56,207
Community Development	\$342,645
Brush Yard	\$27,141
Capital Outlay	\$1,737,612
Debt Service	\$249,104
Total Expenditures	\$8,138,858

Capital Outlay: Purchases of capital items and the construction or acquisition of major capital facilities. Includes projects financed with the city's Capital Improvement Sales Tax.

Debt Service: Expenditures relating to various principal and interest payments on capital items.

THE CITY OF MEXICO'S BALANCE SHEET

(\$ in millions)	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Assets						
Current and Other Assets	\$12.07	\$10.30	\$4.66	\$3.98	\$16.74	\$14.28
Capital Assets	\$44.23	\$43.48	\$17.77	\$18.40	\$62.00	\$61.88
Total Assets	\$56.30	\$53.78	\$22.43	\$22.38	\$78.74	\$76.16
Deferred outflows of resources	\$0.87	\$0.00	\$0.14	\$0.00	\$1.01	\$0.00
Total Deferred Outflows	\$0.87	\$0.00	\$0.14	\$0.00	\$1.01	\$0.00
Liabilities						
Long-Term Obligations	\$2.43	\$2.93	\$10.65	\$11.01	\$13.07	\$13.94
Other Liabilities	\$0.26	\$0.20	\$0.21	\$0.29	\$0.47	\$0.49
Total Liabilities	\$2.68	\$3.13	\$10.86	\$11.30	\$13.54	\$14.43
Deferred Inflows of Resources	\$1.35	\$1.04	\$0.05	\$0.00	\$1.40	\$1.04
Total Deferred Inflows	\$1.35	\$1.04	\$0.05	\$0.00	\$1.40	\$1.04
Net Position	\$53.14	\$49.61	\$11.66	\$11.08	\$64.81	\$60.69
Net Position, ending (as originally reported)					\$64.81	\$60.69
Effect of prior period adjustment					0.00	2.65
Net Position, ending (as restated)					\$64.81	\$63.34

DEBT MANAGEMENT PRACTICE

The City of Mexico is an infrequent issuer of debt and maintains a conservative financial borrowing policy to assure strong financial health both in the short and long term. The options for financing city projects and facilities are similar to those available to any individual: a) pay cash out of current earnings, b) save money for future acquisitions, or c) borrow on anticipated income.

Whenever possible, the City plans ahead, saves money and uses a pay-as-we-go approach to capital project purchases. This approach conserves credit and primarily only using debt as a tool to finance large capital investments and facilities. Planning ahead, saving and using the pay-as-we-go approach may increase cash reserves at times; however, it avoids the added cost of processing fees and interest payments associated with borrowing.

CAPITAL OUTLAY PROJECTS

The Capital Improvement Projects are the city's investment in improvements to infrastructure, parks, other community facilities, vehicles, equipment, and land. It is a systematic approach to replacing deteriorating assets and adding new facilities that enhance the quality of life in Mexico.

During Fiscal Year 2015, the City continued to make improvements to the Wastewater Collection System with Slip Lining and improvements to the Route D Collection system. A new Fire Truck, Street Sweeper, Salt Storage Shed, and equipment for the Brush Yard were purchased. We completed work on the Fairgrounds Restroom and parking lot, made significant repairs to the Swimming Pool, and installed new Playground Equipment at Garfield Park.

Capital Outlay Expenses	2015
Building & Improvement Projects	\$61,303
Park Development	\$254,937
Wastewater Improvements	\$181,373
Street & Sidewalk Improvements	\$300,836
Firetruck	\$427,386
Equipment & Replacement Projects	\$397,626
Railroad Improvements	\$15,300
Brush Yard Equipment	\$51,620
Debt Service	\$249,104
Wastewater Debt Service	\$902,664
Total Capital Outlay Expenses	\$2,842,149



City of Mexico, Missouri

www.mexicomissouri.net

300 North Coal

Mexico, MO 65265

573-581-2100

MISSION STATEMENT

“To maintain and enhance the quality of life for the residents of Mexico, Missouri.”

WHERE DOES PROPERTY TAX GO?



64¢ MEXICO SCHOOL DISTRICT (63.78%)

12¢ CITY OF MEXICO (11.69%)

5¢ SPECIAL RD DIST #13 (4.82%)

4¢ AUDRAIN HEALTH CTR (4.01%)

4¢ AUDRAIN COUNTY (3.73%)

4¢ COUNTY LIBRARY (3.55%)

3¢ COUNTY HANDICAP SVCS (3.35%)

3¢ COUNTY HOSPITAL (3.03%)

2¢ COUNTY AMBULANCE DIST (1.56%)

<1¢ STATE OF MISSOURI (0.48%)

A Mexico homeowner with a home that has a \$79,239 market value paid \$944 in real estate taxes with 11.7% of that going to the City of Mexico.

As a result of rounding, total may not equal 100%.

Source: Audrain County Property Tax Rate Sheet-2014.

MISC. INFORMATION

City-imposed Tax Rates:

- Business License Tax on Gross Receipts:
Water 7%, Electric 6.3%, Gas 7%,
Telephone 7.0%, Cable TV 5%
- Property Tax (per \$100 of assessed value):
General \$0.4325,
Public Health \$0.20,
Parks \$0.10
- Lodging Tax: 3.0%
- Sales Tax: General 1.0%,
Capital Improvement 0.5%,
Parks & Recreation 0.5%
- Cigarette Tax: \$0.05 per pack

The information in this report is taken from the City of Mexico's Comprehensive Annual Financial Report (CAFR). A copy of the CAFR is available at www.mexicomissouri.net

Prepared by the

Department of Administrative Services

Roger Haynes, Deputy City Manager/Director

Vicki Duenke, Financial Analyst/Accountant

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- Mexico MO Department of Public Safety
- City of Mexico Parks and Recreation

www.mexicomissouri.net