

CITY OF
SUGAR CREEK,
MISSOURI

Comprehensive Annual Financial Report

Year Ended September 30, 2012

CITY OF SUGAR CREEK, MISSOURI
Comprehensive Annual Financial Report
Year Ended September 30, 2012

Prepared by

Linda R. Martinovich

City Treasurer – Finance Officer

(This page has been intentionally left blank)

CITY OF SUGAR CREEK, MISSOURI

Comprehensive Annual Financial Report

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Principal Officials	1
Organizational Chart	2
Letter of Transmittal	3
Certificate of Achievement for Excellence in Financial Reporting	7
FINANCIAL SECTION	
Independent Auditor’s Report	8
Management’s Discussion and Analysis	10
Basic Financial Statements:	
	<u>Exhibit</u>
Government-wide Financial Statements:	
Statement of Net Assets	A 18
Statement of Activities	B 19
Fund Financial Statements:	
Balance Sheet – Governmental Funds	C 20
Reconciliation of the Balance Sheet to the Statement of Net Assets - Governmental Funds	21
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	D 22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities – Governmental Funds	23
Statement of Net Assets – Proprietary Fund	E 24
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Fund	F 25
Statement of Cash Flows - Proprietary Fund Type	G 26
Notes to the Basic Financial Statements	27
	<u>Schedule</u> <u>Page</u>
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	1 50
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Reuse Agreement Fund	2 51
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – State Gasoline Tax Fund	3 52
Schedules of Funding Progress	4 53

CITY OF SUGAR CREEK, MISSOURI

Comprehensive Annual Financial Report

TABLE OF CONTENTS, Continued

	<u>Schedule</u>	<u>Page</u>
Other Supplementary Information		
Combining and Individual Fund Statements and Schedules:		
Combining Balance Sheet – Non-major Governmental Funds	5	54
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds	6	55
Combining Balance Sheet – Non-major Sales Tax Funds	7	56
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Sales Tax Funds	8	57
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual –		
Public Health Fund	9	58
Capital Improvement Sales Tax Fund	10	59
Parks and Recreation Sales Tax Fund	11	60
Stormwater Sales Tax Fund	12	61
Capital Improvement Fund	13	62
Revolving Improvement Fund	14	63
Certificates of Participation Fund	15	64
TIF Fund	16	65
Heritage Ridge TIF Fund	17	66
	<u>Table</u>	
STATISTICAL SECTION (Unaudited)		
Net Assets by Component	1	67
Changes in Net Assets	2	68
Fund Balances of Governmental Funds	3	69
Changes in Fund Balances of Governmental Funds	4	70
General Governmental Tax Revenue by Source	5	71
Franchise Tax by Receipt Type	6	72
Assessed Value and Estimated Actual Value of Taxable Property	7	73
Property Tax Rates Direct and Overlapping Debt	8	74
Principal Property Taxpayers	9	75
Property Tax Levies and Collections	10	76
Ratio of Outstanding Debt by Type	11	77
Ration of General Bonded Debt Outstanding	12	78
Direct and Overlapping Governmental Activities Debt	13	79
Legal Debt Margin Information	14	80
Demographic and Economic Statistics	15	81
Principal Employers	16	82
Full-time Equivalents City Government Employees by Function/Program	17	83
Operating Indicators by Function/Program	18	84
Capital Asset Statistics by Function/Program	19	85

INTRODUCTORY SECTION

(This page has been intentionally left blank)

CITY OF SUGAR CREEK, MISSOURI

Principal Officials

Mayor

Honorable Stanley J. Salva

Board of Aldermen

*Honorable Dennis R. Onka
Honorable Stanley J. Sagehorn
Honorable Joseph D. Kenney
Honorable Lorcan H. Doyle*

City Administrator

Ronald P. Martinovich

City Clerk

Jana Olivarez Dickerson

City Treasurer / Finance Officer

Linda R. Martinovich

City Attorney

C. Robert Buckley

Building Official

Paul E. Loving

City Marshall

Herbert M. Soule

Deputy Fire Chief

Patrick C. Casey

Public Works Director

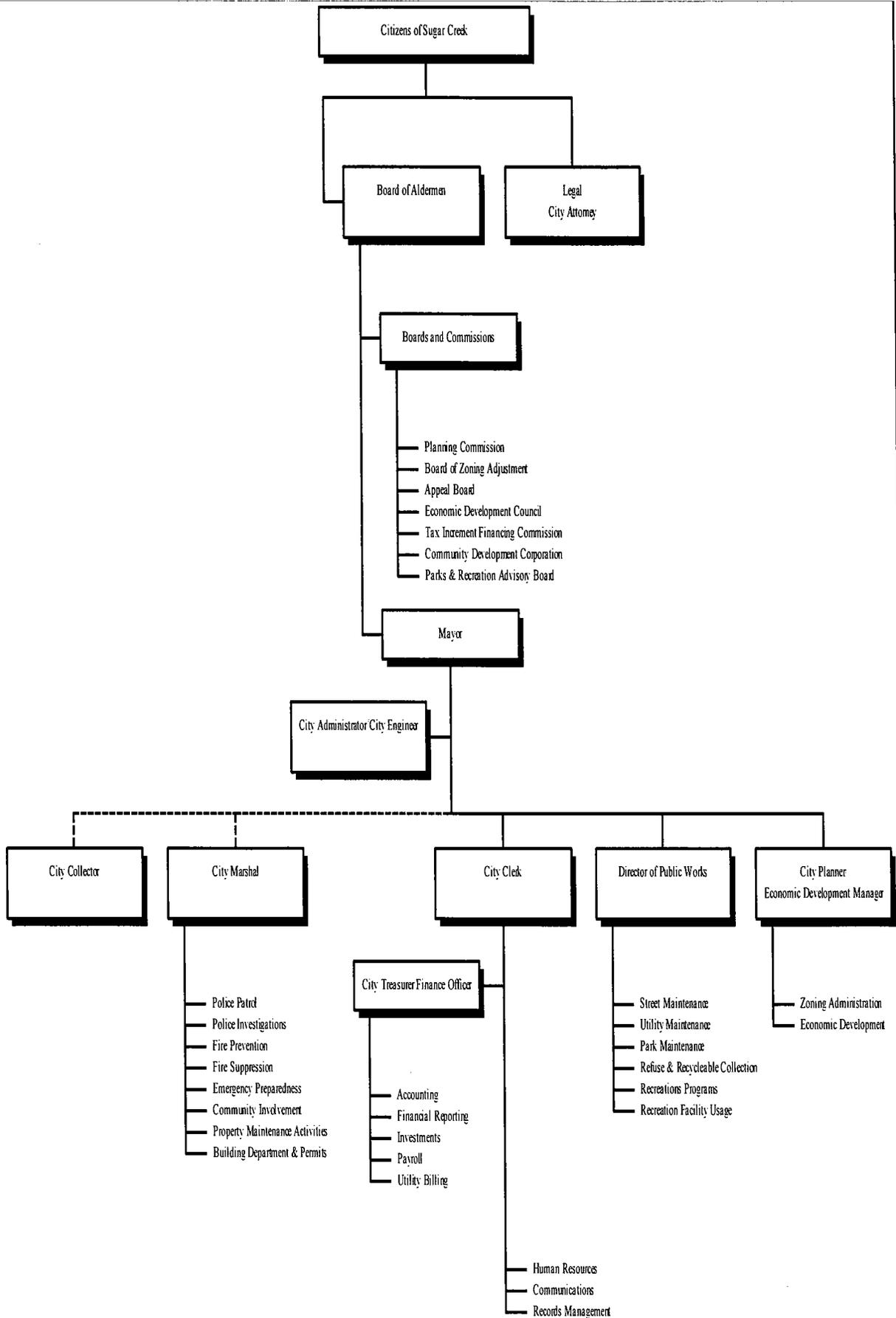
Ed Layton

Independent Certified Public Accountants

Cochran Head Vick & Co., P.C.

CITY OF SUGAR CREEK, MISSOURI

Organizational Chart
September 30, 2012





City of Sugar Creek

103 South Sterling – Sugar Creek, Missouri 64054

March 28, 2013

To the Honorable Mayor, Members of the Board of Aldermen,
and the Citizens of the City of Sugar Creek, Missouri:

The Comprehensive Annual Financial Report of the City of Sugar Creek for the year ended September 30, 2012 is hereby submitted for your information. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's activities have been included.

Generally Accepted Accounting Principles (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 complement the MD&A and should be read in conjunction with it. The City of Sugar Creek's MD&A can be found in the Financial Section immediately following the report of the independent auditors'.

The City was required to undergo an audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and by the U.S. Office of Management and Budget's (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Information related to this single audit, including a schedule of expenditures of federal awards, the independent auditor's reports on compliance and on internal controls over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards and in compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133, and a schedule of findings and questioned costs are included in a separately issued report.

In fulfilling its responsibilities for reliable financial statements, management depends on the City's system of internal control. This system is designed to provide reasonable assurance that assets are effectively safeguarded and that transactions are executed in accordance with management's authorization and are properly recorded. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

The City provides a full range of services including police and fire protection; sanitation services; the construction and maintenance of streets and infrastructure; and recreational activities and cultural events.

Administrative Offices
816-252-4400
FAX: 252-7082

Police & Fire Departments
816-252-7058
FAX: 461-3493

Public Works Department
816-252-4413
FAX: 252-8843

Parks & Recreation Department
816-252-4413
FAX: 252-8843

Primary City Governance

The City of Sugar Creek, Missouri was incorporated in November 1920 and is a suburban community of the Fourth Class. Sugar Creek's boundaries are located in Jackson County and within the Kansas City Metropolitan Statistical Area. As of the 2010 Census, the population of the City Sugar Creek is 3,345. The City's land area has grown to 10.88 square miles.

The City of Sugar Creek is governed by a Board of Aldermen - City Administrator form of Government. Registered voters elect four individuals, two each in two separate wards, who serve two year staggered terms as their representatives on the Board of Aldermen. The Board of Aldermen are responsible, for passing ordinances, adopting the annual budget, appointing committees, and hiring the City's department heads, except for the City Marshal who is elected for a four-year term. The Mayor is also elected to a two-year term and is responsible for carrying out the policies and ordinances adopted by the Board of Aldermen.

Local Economic Overview, and Outlook

The City's current economic environment is stable. Through calendar year 2012, sales tax receipts, and gross receipts tax, have increased over the prior year. Electrical franchise fees have increased slightly which is related to rate increase implemented by Kansas City Power & Light. The construction industry is still slow and therefore the electrical franchise and sales tax remittance correspond accordingly since the largest users of energy of sales are directly impacted by the construction activity. The City is continuing to work on development of Industrial and Commercial property.

Due to circumstances that prevented the retail development from advancing forward which were beyond the City's control, the City at the very end of fiscal year 2011 approved a settlement agreement which terminated the development agreement with JLP Sugarland Inc. As a part of the settlement agreement the Industrial Development Authority of the City of Sugar Creek (IDA) acquired all of the property associated with the retail development and the City currently leases the property from the IDA. The lease payments to the IDA services an existing loan the former developer initiated and the City assumed as a part of the settlement agreement. The Board of Aldermen approved a Tax Increment Financing Contract with Edwards Management LLC. The new developer has the responsibility to redevelop property located at US 24 Highway and Sterling Ave. into a new retail Center anchored by a grocery store. As a part of this initiative the City approved an extension of an existing loan and lease agreement between the City, Bank of Kansas City and the IDA.

The Courtney Ridge Recycling and Disposal Facility is one of the City's top revenues sources. During 2012, the City's revenue increased slightly during the last quarters of fiscal year due to increased volumes of special waste. Although the revenue has slightly increased the general household waste disposal activity remained below what is considered normal volumes. The slow growth in disposal activity is thought to be related to economic conditions and slow growth in construction activity. The transfer of waste outside the geographic area by transfer stations and recycling efforts continue to impact the volume of waste available for disposal at the Courtney Ridge disposal facility.

The City is continuing to work on development opportunity at the Bluffs at Sugar Creek project. During fiscal year 2011 the City made application to the United States Environmental Protection Agency for the reuse project site to be considered as a candidate for the National Renewable Energy Laboratory to complete a renewable energy feasibility study. The City was notified in October 2011 our application was not selected. Although the application was not selected the City in partnership with BP Corporation North America has decided to contract with Black and Veatch Corporation to complete a feasibility study. The study was funded by BP Corporation North America and completed during the first quarter of fiscal year 2012. The conclusions of the study indicated construction of a utility scale solar power plant is feasible and the City began meeting with Kansas City Power & Light to discuss an interconnect and application to the Southwest Power Pool. The City is currently working on selection of a consultant who will complete a financial analysis to establish a rate for power generated at the electrical generation facility.

Based upon previous studies and Board of Aldermen approvals the focus has been to locate a Wellness Center on Sterling Ave North of Lexington Ave. The City has been working to acquire property since fiscal year 2008. One of the more difficult acquisitions involved purchase of the United State Post office which was located within the 4 acres acquisition area identified by Warner, Nease, Bost the City's architect. The City received a property sale agreement from US Postal Service and completed the purchase during spring 2012. The City approved a design services agreement with Warner Nease Bost for remodel of the building into a health, wellness and community center. The design is scheduled to be complete during 2013.

The Missouri Gaming Commission announced a gaming license would be available in July 2010 and the City submitted a notice of Interest in April 2010. A formal application for a Missouri River Boat Gaming License was filed by Paragon Gaming. There were three finalists for one license position and the Sugar Creek project was not selected for priority investigation. During 2011, the City continued to maintain communication with a developer who is interested in developing a project in Sugar Creek that is anchored by a casino. The City initiated discussions in order to maintain control of the property and renew the property option until May 2013.

Financial Controls

Accounting records for the City's general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when measurable and available and expenditures being recorded when the liability is incurred. The City's accounting records for proprietary funds are maintained on the accrual basis.

The City maintains specific budget controls. The objective of these budget controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Aldermen. Activities of the general fund, special revenue funds, capital projects funds, debt service and proprietary funds are included in the annual appropriated budget. The legal level of budgetary control, which is the level expenditures cannot legally exceed the appropriated amount, is established at the fund total; however transfers between line items within a fund are allowed. The Finance Department drafted a Purchasing Manual during fiscal year 2012 which currently being reviewed by associate staff.

Independent Audit

The firm of Cochran, Head Vick & Co. P.C. audits the City's financial statements. Auditing standards generally accepted in the United States of America and Government Auditing Standards were used by the auditors in conducting the engagement. The auditor's report is located in the financial section of the report.

Awards

The Government Finance Officers Association (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to a government for its comprehensive annual financial report (CAFR) if certain conditions are met. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized CAFR. This report must also satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. The City was awarded the certificate for the eighteenth consecutive year for its 2011 CAFR. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR will meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility.

Acknowledgments

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff in the Finance Department. Due credit should be given to the Mayor and Board for their interest and support in planning and conducting the operations of the city in a responsible and progressive manner.

Respectfully submitted,



Ronald P. Martinovich
City Administrator



Linda R. Martinovich
City Treasurer-Finance Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Sugar Creek
Missouri

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Moynell

President

Jeffrey R. Emer

Executive Director

(This page has been intentionally left blank)

FINANCIAL SECTION

(This page has been intentionally left blank)



1251 NW Briarcliff Pkwy
Suite 125
Kansas City, MO 64116
(816) 584-9955
Fax (816) 584-9958

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Board of Alderman
City of Sugar Creek, Missouri

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 Sugar Creek, Missouri as of and for the year ended September 30, 2012, which collectively comprise the City's basic financial statements as listed in the accompanying table of contents. These basic financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these basic 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 *Governmental 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic 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 of Sugar Creek, Missouri, as of September 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Offices

1333 Meadowlark Lane
Kansas City, KS 66102
(913) 287-4433
(913) 287-0010 FAX

6700 Antioch Rd, Suite 460
Merriam, Kansas 66204
(913) 378-1100
(913) 378-1177 FAX

400 Jules Street
Suite 415
St. Joseph, MO 64501
(816) 364-1118
(816) 364-6144 FAX

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2013, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison 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 supplementary 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and budget to actual schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and budget to actual schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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 it.

March 28, 2013

Cochran Head Vick + Co., P.C.

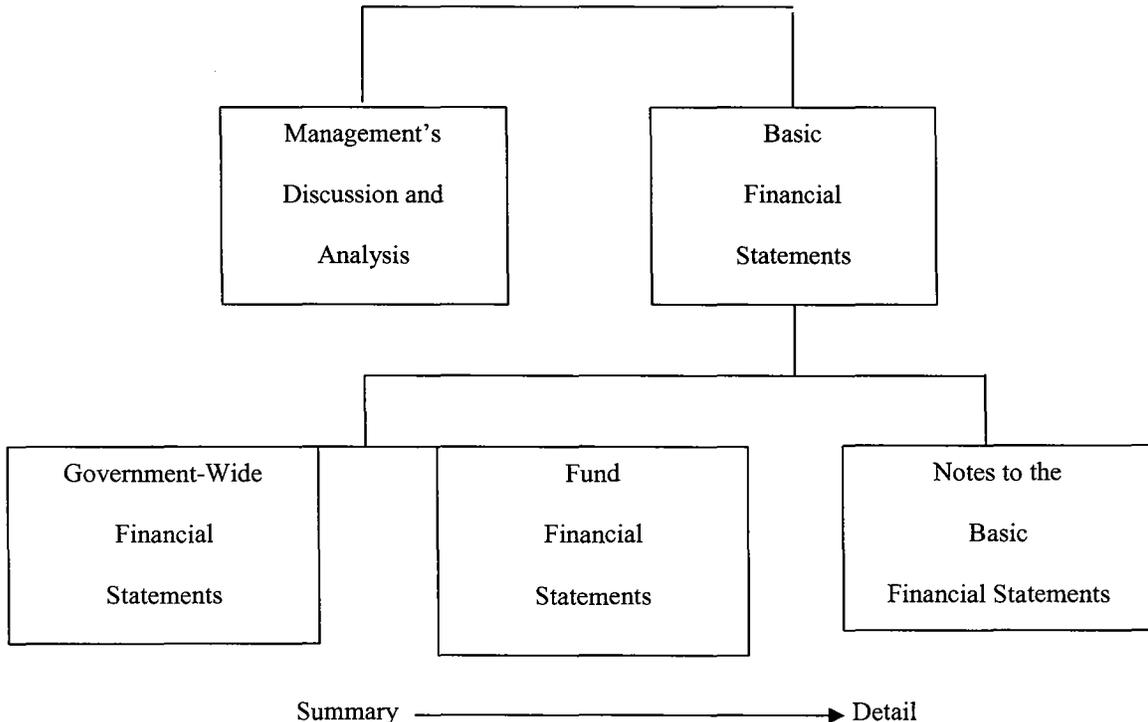
MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Sugar Creek's (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2012. We encourage readers to consider the information presented here in conjunction with the accompanying transmittal letter, the basic financial statements and the accompanying notes to those financial statements.

Financial Highlights

- The assets of the City of Sugar Creek exceeded its liabilities at the close of the September 30, 2012 fiscal year by \$12,934,644 (Net assets). Of this amount, \$70,080 (unrestricted net assets) may be used to meet government's ongoing obligations to citizens and creditors in accordance with City fund designations and fiscal policies. The assets of the City of Sugar Creek exceeded its liabilities at the close of the September 30, 2011 fiscal year by restated net assets of \$13,184,135. Of this amount \$405,208 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City of Sugar Creek's governmental funds reported combined ending fund balances of \$6,843,789 a decrease of \$367,016 in comparison with the prior year. Approximately 31 percent of the fund balance, \$2,139,475 is unassigned and available for spending at the government's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$2,139,475 or 47 percent of the total General Fund expenditures for 2012.

**Overview of the Financial Statements -
Required Components – Figure 1**



The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

The Statement of Net Assets and the Statement of Activities (on pages 18 and 19) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements start on page 20. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

Reporting the City as a Whole

Our analysis of the City as a whole begins on page 12. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities reports information about the City as a whole and its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net assets and changes in them. You can think of the City's net assets—the difference between assets and liabilities—as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the overall health of the City.

To aid in the understanding of the Statement of Activities, some additional explanation is given. Of particular interest is that the format is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the City's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants.

In the Statement of Net Assets and the Statement of Activities, we divide the City into two kinds of activities:

- **Governmental activities**—Most of the City's basic services are reported here, including general administration, public safety, streets and public works, economic development, health and welfare, and parks and recreation. Taxes, (sales, property, gross receipts taxes and franchise fees) charges for services, fines, and state and federal grants finance most of these activities.
- **Business-type activities**—The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water, sanitary sewer and sanitation funds are reported here.

Reporting the City's Most Significant Funds - Fund Financial Statements

The fund financial statements begin on page 20 and provide detailed information about the most significant funds—not the City as a whole. Some funds are required to be established by State law and by bond covenants. The City establishes other funds to help it control and manage money for particular purposes (BP Reuse, Capital Improvement, Revolving Improvement, Debt Service and the Combined Sales Tax funds). The City uses two types of funds to manage its resources: governmental and proprietary funds. A fund is a fiscal entity with a set of self-balancing accounts recording financial resources, together with all related liabilities and residual equities and balances, and the changes therein. These accounting entities are separated for the purpose of carrying on specific activities or attaining certain objectives in accordance with regulations, restrictions or limitations.

- **Governmental funds**—Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in the reconciliation following the fund financial statements.
- **Proprietary funds**—When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the City's water, sanitary sewer and sanitation, enterprise funds are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows.

Government-Wide Financial Analysis

Our analysis below focuses on net assets (Figure 2) and changes in net assets (Figure 3) of the governmental and business-type activities. Certain amounts presented for 2011 have been restated.

Figure 2
Statement of Net Assets

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 8,030,083	\$ 9,093,324	\$ 1,103,280	\$ 1,106,232	\$ 9,133,363	\$ 10,199,556
Capital assets	10,492,944	9,660,213	1,044,329	1,048,026	11,537,273	10,708,239
Total assets	18,523,027	18,753,537	2,147,609	2,154,258	20,670,636	20,907,795
Other liabilities	830,841	898,271	262,712	223,321	1,093,553	1,121,592
Long-term debt	6,631,391	6,597,637	11,048	4,431	6,642,439	6,602,068
Total liabilities	7,462,232	7,495,908	273,760	227,752	7,735,992	7,723,660
Net assets:						
Investment in capital assets	7,973,473	7,183,512	1,044,329	1,048,026	9,017,802	8,231,538
Restricted	3,846,762	4,547,389	-	-	3,846,762	4,547,389
Unrestricted (deficit)	(759,440)	(473,272)	829,520	878,480	70,080	405,208
Total net assets	\$ 11,060,795	\$ 11,257,629	\$ 1,873,849	\$ 1,926,506	\$ 12,934,644	\$ 13,184,135

Net assets may serve over time as a useful indicator of a government's financial position. The City of Sugar Creek's assets exceeded liabilities by \$12,934,644 at the close of fiscal year ended September 30, 2012. Of this total, \$3,846,762 is restricted; \$922,019 is for debt service, \$684,221 for Capital Improvements, \$270,503 for Streets & Public Works, \$783,719 for Health and Welfare, \$237,166 for Parks and Recreation and \$949,134 the BP reuse and funding agreements.

For the year ended September 30, 2012, net assets of the City changed as follows:

Figure 3
Statement of Changes in Net Assets

Revenues:	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Program revenues:						
Charges for services	\$ 517,984	\$ 433,871	\$ 1,096,112	\$ 1,042,757	\$ 1,614,096	\$ 1,476,628
Operating grants and contributions	65,351	61,554	-	-	65,351	61,554
Capital grants and contributions	988,369	815,967	-	-	988,369	815,967
General revenues:						
Property taxes	632,432	646,534	-	-	632,432	646,534
Sales tax	705,667	662,596	-	-	705,667	662,596
Gross receipts tax	1,043,078	913,107	-	-	1,043,078	913,107
Franchise tax	1,454,453	1,454,033	-	-	1,454,453	1,454,033
Other taxes	46,759	51,316	-	-	46,759	51,316
Intergovernmental	197,644	220,296	-	-	197,644	220,296
Contractual agreements	357,659	199,829	-	-	357,659	199,829
Unrestricted investment earnings	19,917	28,844	6,584	11,085	26,501	39,929
Miscellaneous	70,727	105,632	-	-	70,727	105,632
Total revenues	6,100,040	5,593,579	1,102,696	1,053,842	7,202,736	6,647,421
Expenses:						
General administration	1,367,474	1,292,777	-	-	1,367,474	1,292,777
Public safety	2,152,945	2,104,012	-	-	2,152,945	2,104,012
Streets and public works	2,040,323	1,554,873	-	-	2,040,323	1,554,873
Economic development	67,768	361,812	-	-	67,768	361,812
Health and welfare	1,242	40,129	-	-	1,242	40,129
Parks and recreation	269,815	325,393	-	-	269,815	325,393
Interest on long-term debt	343,780	249,250	-	-	343,780	249,250
Water	-	-	216,015	190,949	216,015	190,949
Sanitary sewer	-	-	750,208	696,236	750,208	696,236
Sanitation	-	-	242,657	220,006	242,657	220,006
Total expenses	6,243,347	5,928,246	1,208,880	1,107,191	7,452,227	7,035,437
Change in net assets before transfers	(143,307)	(334,667)	(106,184)	(53,349)	(249,491)	(388,016)
Transfers	(53,527)	(1,100)	53,527	1,100	-	-
Change in net assets	(196,834)	(335,767)	(52,657)	(52,249)	(249,491)	(388,016)
Net assets, beginning of year, as restated	11,257,629	11,593,396	1,926,506	1,978,755	13,184,135	13,572,151
Net assets, end of year	\$ 11,060,795	\$ 11,257,629	\$ 1,873,849	\$ 1,926,506	\$ 12,934,644	\$ 13,184,135

The City's net assets decreased \$249,491 during the 2012 fiscal year. Of the total, governmental activities net assets decreased \$196,834 and business-type net assets decreased by \$52,657. The City spent less in 2012 on the Heritage Ridge Development (formally known as Sugarland Development). Capital grants include receiving funds for the Cops Grant, and the Lewis and Clark Expressway. The cost of Preliminary design for the Lewis and Clark Expressway was paid with the federal grant funds. This expense is shown under Streets and Public Works as portions of the project will not result in an asset of the City. The decrease in net asset for the business-type assets is due to the City of Independence increasing their sewer rates to the City of Sugar Creek. The City sewer rates increased on the April 2011 billing and will increase every year thru 2014. The City plans to contract with an engineering firm to review and evaluate water volumes and billing for the Mill Creek Basin. The sanitation fund net assets decreased by \$20,917. The charges for services are not covering the cost of operations. The last sanitation rate increase went into effect on the February 2006 billing. The City has reviewed contracting for trash service which delayed our increasing our rates.

The City's Funds

The City of Sugar Creek adopted a financial policy for implementation of GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement changed the classifications of fund balance as discussed below. Governmental funds reported combined ending fund balances of \$6,843,789, a decrease of \$367,016. The primary reasons for this decrease are the purchase of the Post Office to be converted into a Wellness Center and the Lewis and Clark highway design. Of the total governmental fund balances \$2,139,475 is unassigned and available for use within the City's designation and policies. The restricted fund balance is classified as follows: restricted for capital projects, \$684,221, debt service \$922,019, health and welfare, \$783,719, parks and recreation \$237,166, bp reuse and funding agreement \$949,134, and streets and public works, \$153,206. The committed fund balance for economic develop totaled \$445,165. The assigned fund balance category includes Capital Projects of \$168,618 and Public Safety of \$150,000. The nonspendable classification includes prepaid items of \$135,870 and advances to other funds, \$75,200.

The general fund is the main operating fund of the City of Sugar Creek. At the end of the current year, unassigned fund balance of the general fund was \$2,139,475 while total fund balance reached \$2,560,545. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 47% of total general fund expenditures, while total fund balance represents 56% of that same amount.

The fund balance of the general fund decreased during 2012 by \$260,738. The City's fulltime employee's received an \$800 one-time payment and cost of health care and general liability and worker's comp insurance continues to rise. The general fund transfers approximately \$108,000 for Heritage Ridge development cost this year. Expenditures exceeded revenues even though gross receipt revenues increased due to the acceptance of additional special waste at Courtney Ridge Landfill.

The Board of Aldermen passed an agreement to complete preliminary design of the Lewis and Clark Expressway between Sterling Ave. and Interstate 435 and Front Street. The cost of design was paid out of state gas tax fund. The City received federal funds and has an agreement with the City of Kansas City to assist in funding the local match requirement.

The Reuse Agreement Fund accounts for funds to be used in accordance with the amended BP Reuse Agreement for construction of site infrastructure, buildings and improvements as well as related maintenance, provided however, that either (1) up to 25% of the funds may be used for construction of buildings and infrastructure along Sterling Avenue and Cement City Road, or (b) if the City utilizes at least \$3.3 million for the construction of a Public Safety Campus on the leased properties, any remaining funds may be used for construction of a community center or retail development and infrastructure along Sterling Avenue. The fund balance decreased \$442,260. The Reuse Agreement Fund was used to transfer amounts to the State Gasoline Tax Fund for contractual services for the Lewis & Clark Expressway along Sterling in the amount of \$249,000. Funds were also transferred to Certificate of Participation (COP) fund to pay the debt service payment requirements for the COP. This was the last restricted payment for the COP.

The Heritage Ridge Development Fund (formally known as the Sugarland Development Fund) had a decrease in expenditures during 2012 related to the Heritage Ridge Development. In 2011, the City terminated the TIF agreement and formed the Industrial Development Authority of the City of Sugar Creek; see Note 8(D) in the Notes to the Basic Financial Statements for additional information.

Certificates of participation (COP) totaling \$2,690,000 were issued in 2009 to fund various City projects. Two debt service payments were made on the COP's debt in fiscal 2012.

General Fund Budgetary Highlights

On a budgetary basis, the General Fund is the main operating fund of the City of Sugar Creek. The Fund balance decreased \$260,738 over the prior year. During the year there was a \$693,873 increase in appropriations between the original and final amended budget. Following are the components of the increase:

- \$114,768 allocated to streets and public works department
- \$ 75,088 allocated to public safety
- \$476,814 allocated to general government
- \$ 27,203 allocated to parks and recreation

These increases were primarily funded from the fund reserves.

Capital Asset and Debt Administration

Capital Assets

At the end of September 30, 2012 the City had over \$11.5 million invested in capital assets including land, buildings, equipment, vehicles, infrastructure, and water and sewer lines net of accumulated depreciation. (See table below) This represents a net increase of over \$829,000 over last year. See Note 7 to basic financial statements for more information and detail on the City's capital assets

Capital assets, net of accumulated depreciation

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 1,914,337	\$ 1,914,337	\$ -	\$ -	\$ 1,914,337	\$ 1,914,337
Buildings and improvements	4,622,397	4,457,239	-	-	4,622,397	4,457,239
Construction in progress	2,041,795	1,320,466	39,505	-	2,081,300	1,320,466
Equipment and vehicles	688,428	679,620	121,612	140,110	810,040	819,730
Office equipment	138,554	120,498	-	-	138,554	120,498
Infrastructure	1,087,433	1,168,053	-	-	1,087,433	1,168,053
Sewer and water lines	-	-	883,212	907,916	883,212	907,916
Total	\$ 10,492,944	\$ 9,660,213	\$ 1,044,329	\$ 1,048,026	\$ 11,537,273	\$ 10,708,239

The governmental activities capital assets activities include engineering cost for design for the Lewis and Clark Highway. New purchases include the post office and new servers for the police department and city hall

Long-term Obligations

The City issued \$2,690,000 Certificates of Participation financing in May, 2009. The proceeds were used to reimburse the Reuse Agreement Fund for costs related to the City's public safety facility. The State granted the city an energy loan for HVAC energy improvements at the Mike Onka Building, City Hall and Public Works Building. Certain funds in the Reuse Agreement Fund have been made available for the former Sugarland development project (see Note 8 (D)). The City formed the Industrial Development Authority of the City of Sugar Creek which has entered into a bank note agreement as further discussed in Note 8 (D).; The City implemented Governmental Accounting Standards Board (GASB) Statement No. 45 which requires accounting and financial reporting by employers for postemployment benefits. See Note 8 to the basic financial statements for more information and detail on the City's long-term obligations. This is the second year the City has recorded net pension obligation for Lager's retirement system.

Outstanding Obligations

	Governmental		Business-type		Total	
	Activities		Activities			
	2012	2011	2012	2011	2012	2011
Compensated absences	\$ 150,866	\$ 132,504	1,698	1,783	\$ 152,564	\$ 134,287
Other post-employment benefits	69,540	55,113	3,213	60	72,753	55,173
Net pension obligation	49,041	27,049	6,137	2,588	55,178	29,637
Certificates of Participation	2,490,000	2,545,000	-	-	2,490,000	2,545,000
Discount on issuance	(65,241)	(68,299)	-	-	(65,241)	(68,299)
Energy loan	94,712	-	-	-	-	-
Developer agreement - TIF	1,554,888	1,618,685	-	-	1,554,888	1,618,685
Bank Note - See Note 8(d)	2,287,585	2,287,585	-	-	2,287,585	2,287,585
Total	\$ 6,631,391	\$ 6,597,637	\$ 11,048	\$ 4,431	\$ 6,547,727	\$ 6,602,068

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Office at 103 S. Sterling Sugar Creek, Missouri.

BASIC FINANCIAL STATEMENTS

(This page has been intentionally left blank)

City of Sugar Creek, Missouri
Statement of Net Assets
September 30, 2012

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Assets			
Pooled cash and investments	\$ 3,872,597	\$ 703,852	\$ 4,576,449
Receivables:			
Taxes	555,769	-	555,769
Special assessments	-	10,570	10,570
Contractual agreements	-	88,333	88,333
Accounts and other	531,790	247,376	779,166
Accrued interest	2,633	1,275	3,908
Due from other governments	337,515	-	337,515
Internal balances	75,200	(75,200)	-
Prepays, deposits, and other assets	135,870	10,811	146,681
Restricted assets:			
Cash and investments	1,278,975	84,993	1,363,968
Notes receivable	-	31,270	31,270
Property held for redevelopment	1,128,719	-	1,128,719
Unamortized bond issue costs	111,015	-	111,015
Capital assets:			
Not being depreciated	3,956,132	39,505	3,995,637
Being depreciated, net of depreciation	6,536,812	1,004,824	7,541,636
Total assets	18,523,027	2,147,609	20,670,636
Liabilities			
Accounts payable	690,110	173,033	863,143
Accrued payroll and benefits	98,078	9,662	107,740
Accrued interest	28,080	-	28,080
Payable from restricted assets:			
Police unclaimed money	1,046	-	1,046
Customer deposits	4,145	80,017	84,162
Municipal court bonds	9,382	-	9,382
Long term debt:			
Due within one year	357,335	1,698	359,033
Due in more than one year	6,274,056	9,350	6,283,406
Total liabilities	7,462,232	273,760	7,735,992
Net Assets			
Invested in capital assets, net of related debt	7,973,473	1,044,329	9,017,802
Restricted :			
Debt service	922,019	-	922,019
Capital improvements	684,221	-	684,221
Streets and public works	270,503	-	270,503
Health and welfare	783,719	-	783,719
Parks and recreation	237,166	-	237,166
BP Reuse and Funding agreements	949,134	-	949,134
Unrestricted (deficit)	(759,440)	829,520	70,080
Total net assets	\$ 11,060,795	\$ 1,873,849	\$ 12,934,644

See accompanying notes to the basic financial statements

City of Sugar Creek, Missouri
Statement of Activities
For the Year Ended September 30, 2012

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary government:							
Government activities							
General administration	\$ 1,367,474	\$ 177,087	\$ -	\$ 13,272	\$ (1,177,115)	\$ -	\$ (1,177,115)
Public safety	2,152,945	296,195	65,351	20,000	(1,771,399)	-	(1,771,399)
Streets and public works	2,040,323	249	-	955,097	(1,084,977)	-	(1,084,977)
Economic development	67,768	-	-	-	(67,768)	-	(67,768)
Health and welfare	1,242	-	-	-	(1,242)	-	(1,242)
Parks and recreation	269,815	44,453	-	-	(225,362)	-	(225,362)
Interest on long-term debt	343,780	-	-	-	(343,780)	-	(343,780)
Total governmental activities	6,243,347	517,984	65,351	988,369	(4,671,643)	-	(4,671,643)
Business-type activities							
Water	216,015	265,498	-	-	-	49,483	49,483
Sanitary sewer	750,208	608,874	-	-	-	(141,334)	(141,334)
Sanitation	242,657	221,740	-	-	-	(20,917)	(20,917)
Total business-type activities	1,208,880	1,096,112	-	-	-	(112,768)	(112,768)
Total primary government	\$ 7,452,227	\$ 1,614,096	\$ 65,351	\$ 988,369	(4,671,643)	(112,768)	(4,784,411)

19

General revenues:		
Taxes:		
Property taxes, levied for general purpose	632,432	632,432
Sales taxes	705,667	705,667
Gross receipts taxes	1,043,078	1,043,078
Franchise taxes	1,454,453	1,454,453
Other taxes	46,759	46,759
Grants and contributions not restricted to specific programs	197,644	197,644
Contractual agreements	357,659	357,659
Unrestricted investment earnings	19,917	6,584
Miscellaneous	70,727	70,727
Transfers	(53,527)	53,527
Total general revenues and transfers	4,474,809	60,111
Change in net assets	(196,834)	(52,657)
Net assets, beginning of year, as restated	11,257,629	1,926,506
Net assets, end of year	\$ 11,060,795	\$ 1,873,849

See accompanying notes to the basic financial statements

Exhibit B

CITY OF SUGAR CREEK, MISSOURI
Balance Sheet - Governmental Funds
September 30, 2012

	General	Reuse Agreement	State Gasoline Tax	Heritage Ridge Development	Other Governmental Funds	Total Governmental Funds
Assets						
Pooled cash and investments	\$ 1,732,489	\$ 304,000	\$ 75,541	\$ 3,608	\$ 1,756,959	\$ 3,872,597
Receivables:						
Taxes	499,107	-	-	-	56,662	555,769
Contractual agreements	-	-	-	-	-	-
Accrued interest	375	869	-	-	1,389	2,633
Accounts and other	521,790	-	10,000	-	-	531,790
Due from other governments	34,053	-	234,845	-	68,617	337,515
Due from other funds	75,200	-	249,000	-	15,008	339,208
Prepays, deposits and other assets	135,870	-	-	-	-	135,870
Restricted assets:						
Cash and investments	9,382	893,265	-	-	376,328	1,278,975
Property held for redevelopment	-	-	-	1,128,719	-	1,128,719
Total Assets	\$ 3,008,266	\$ 1,198,134	\$ 569,386	\$ 1,132,327	\$ 2,274,963	\$ 8,183,076
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ 172,079	\$ -	\$ 298,883	\$ 187,162	\$ 31,986	\$ 690,110
Accrued payroll and benefits	98,078	-	-	-	-	98,078
Payable from restricted assets:						
Police unclaimed money	1,046	-	-	-	-	1,046
Customer deposits	4,145	-	-	-	-	4,145
Municipal court bonds	9,382	-	-	-	-	9,382
Due to other funds	7,770	249,000	-	-	7,238	264,008
Deferred revenue	155,221	-	117,297	-	-	272,518
Total Liabilities	447,721	249,000	416,180	187,162	39,224	1,339,287
Fund balances:						
Nonspendable:						
Prepaid Items	135,870	-	-	-	-	135,870
Advances to other funds	75,200	-	-	-	-	75,200
Restricted:						
Capital projects	-	-	-	-	684,221	684,221
Debt service	-	-	-	500,000	422,019	922,019
Health and welfare	-	-	-	-	783,719	783,719
Parks and recreation	60,000	-	-	-	177,166	237,166
BP Reuse and Funding agreements	-	949,134	-	-	-	949,134
Streets and public works	-	-	153,206	-	-	153,206
Committed:						
Economic development	-	-	-	445,165	-	445,165
Assigned:						
Capital projects	-	-	-	-	168,614	168,614
Public safety	150,000	-	-	-	-	150,000
Unassigned (deficit)	2,139,475	-	-	-	-	2,139,475
Total fund balance (deficit)	2,560,545	949,134	153,206	945,165	2,235,739	6,843,789
Total liabilities and fund balances	\$ 3,008,266	\$ 1,198,134	\$ 569,386	\$ 1,132,327	\$ 2,274,963	\$ 8,183,076

See accompanying notes to the basic financial statements

CITY OF SUGAR CREEK, MISSOURI
Reconciliation of the Balance Sheet to the Statement of Net Assets - Governmental Funds
September 30, 2012

Fund balances of governmental funds	\$	6,843,789
-------------------------------------	----	-----------

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund statements.		10,492,944
--	--	------------

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, 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 net effect of these differences in the treatment of long-term debt and related items:

Long-term liabilities		(6,631,391)
Unamortized bond issue costs		111,015

Certain revenues are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		272,518
---	--	---------

Liabilities for interest on long-term debt are recognized only when due in the governmental fund statements but are accrued in the government-wide statements.		(28,080)
--	--	----------

Net assets of governmental activities	<u>\$</u>	<u>11,060,795</u>
---------------------------------------	-----------	-------------------

See accompanying notes to the basic financial statements

CITY OF SUGAR CREEK, MISSOURI
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
Year Ended September 30, 2012

	General	Reuse Agreement	State Gasoline Tax	Heritage Ridge Development	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 3,381,726	\$ -	\$ -	\$ -	\$ 498,793	\$ 3,880,519
Intergovernmental	56,603	-	1,601,142	-	29,400	1,687,145
Charges for services	64,018	-	-	-	-	64,018
Rentals	79,745	-	-	-	-	79,745
Fines and forfeitures	272,510	-	-	-	-	272,510
Payments in lieu of tax	26,439	-	-	-	-	26,439
Contractual agreements	499,669	-	-	-	-	499,669
Licenses and permits	101,712	-	-	-	-	101,712
Interest	10,743	4,683	51	10	4,428	19,915
Other	88,227	-	-	-	-	88,227
Total Revenues	4,581,392	4,683	1,601,193	10	532,621	6,719,899
Expenditures:						
Current:						
General administration	1,477,194	-	-	-	17,781	1,494,975
Public safety	1,975,570	-	-	-	-	1,975,570
Streets and public works	826,848	-	1,347,190	-	406,768	2,580,806
Economic development	-	20,400	-	47,368	-	67,768
Health and welfare	-	-	-	-	22,257	22,257
Parks and recreation	273,969	-	-	-	263,187	537,156
Debt service:						
Principal	-	-	-	-	118,797	118,797
Interest and fiscal charges	-	-	-	112,472	252,586	365,058
Total Expenditures	4,553,581	20,400	1,347,190	159,840	1,081,376	7,162,387
Excess of Revenues Over (Under) Expenditures	27,811	(15,717)	254,003	(159,830)	(548,755)	(442,488)
Other financing sources (uses):						
Transfers in	-	25,719	249,000	115,017	376,794	766,530
Transfers out	(288,549)	(452,262)	-	(293)	(57,938)	(799,042)
Loan proceeds	-	-	-	-	107,984	107,984
Total Other Financing Sources (Uses)	(288,549)	(426,543)	249,000	114,724	426,840	75,472
Net change in fund balances	(260,738)	(442,260)	503,003	(45,106)	(121,915)	(367,016)
Fund balances (deficit), beginning of year	2,821,283	1,391,394	(349,797)	990,271	2,357,654	7,210,805
Fund balances (deficit), end of year	\$ 2,560,545	\$ 949,134	\$ 153,206	\$ 945,165	\$ 2,235,739	\$ 6,843,789

See accompanying notes to the basic financial statements

Exhibit D
(continued)

CITY OF SUGAR CREEK, MISSOURI
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities - Governmental Funds
For the Year Ended September 30, 2012

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ (367,016)
<p>Governmental funds report capital outlays 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.</p>	
Capital outlay costs in excess of capitalization threshold	1,275,015
Depreciation	(440,738)
Disposal of capital assets	(1,546)
<p>Revenues in the statement of activities that do not provide current financial resources are reported as deferred revenue in the governmental funds.</p>	
Other revenues	(439,715)
Capital cost agreement	(213,416)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets.</p>	
Changes in long-term debt, net	55,000
Additions to long-term debt	(94,712)
Development obligations, net	63,797
Changes in unamortized bond issue costs	(5,204)
Changes in unamortized bond issuance discount	(3,058)
Changes in accrued interest expense	29,540
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Change in compensated absences, other post employment benefits payable, and net pension obligations	(54,781)
Change in net assets of governmental activities	\$ (196,834)

See accompanying notes to the basic financial statements

CITY OF SUGAR CREEK, MISSOURI
Statement of Net Assets
Proprietary Funds
September 30, 2012

	Water	Sanitary Sewer	Sanitation	Totals
Assets				
Current assets:				
Pooled cash and investments	\$ 221,881	\$ 406,133	\$ 75,838	\$ 703,852
Receivables, net:				
Accounts and other	44,367	155,714	47,295	247,376
Contractual agreements	-	88,333	-	88,333
Special assessments	-	3,389	-	3,389
Accrued interest	305	889	81	1,275
Prepaid expenses	1,812	5,375	3,624	10,811
Restricted cash and investments	80,017	4,976	-	84,993
Notes receivable	-	31,270	-	31,270
Total current assets	348,382	696,079	126,838	1,171,299
Noncurrent assets:				
Receivables, net:				
Special assessments	-	7,181	-	7,181
Capital assets:				
Not being depreciated	-	39,505	-	39,505
Being depreciated, net of depreciation	207,417	742,019	55,388	1,004,824
Total noncurrent assets	207,417	788,705	55,388	1,051,510
Total assets	555,799	1,484,784	182,226	2,222,809
Liabilities				
Current liabilities:				
Accounts payable	16,303	155,201	1,529	173,033
Accrued liabilities	2,794	1,570	5,298	9,662
Compensated absences	-	-	1,698	1,698
Current liabilities (payable from restricted assets):				
Customer deposits	80,017	-	-	80,017
Total current liabilities:	99,114	156,771	8,525	264,410
Long-term liabilities:				
Due to other funds	-	75,200	-	75,200
Net pension obligation and OPEB	1,714	775	6,861	9,350
Total long-term liabilities:	1,714	75,975	6,861	84,550
Total liabilities	100,828	232,746	15,386	348,960
Net assets				
Invested in capital assets	207,417	781,524	55,388	1,044,329
Unrestricted	247,554	470,514	111,452	829,520
Total net assets	\$ 454,971	\$ 1,252,038	\$ 166,840	\$ 1,873,849

See accompanying notes to the basic financial statements

CITY OF SUGAR CREEK, MISSOURI
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended September 30, 2012

	Water	Sanitary Sewer	Sanitation	Totals
Operating revenues:				
Charges for services	\$ 265,498	\$ 608,874	\$ 221,740	\$ 1,096,112
Total operating revenues	<u>265,498</u>	<u>608,874</u>	<u>221,740</u>	<u>1,096,112</u>
Operating expenses:				
Personal services	81,025	43,848	191,614	316,487
Contractual services	13,962	667,215	10,747	691,924
Materials and supplies	13,877	6,270	26,256	46,403
Cost of water purchased	90,404	-	-	90,404
Depreciation	16,630	32,837	14,040	63,507
Other	117	38	-	155
Total operating expenses	<u>216,015</u>	<u>750,208</u>	<u>242,657</u>	<u>1,208,880</u>
Operating income (loss)	<u>49,483</u>	<u>(141,334)</u>	<u>(20,917)</u>	<u>(112,768)</u>
Nonoperating revenues:				
Interest income	573	5,836	175	6,584
Total nonoperating revenues	<u>573</u>	<u>5,836</u>	<u>175</u>	<u>6,584</u>
Income (loss) before transfers and capital contributions	50,056	(135,498)	(20,742)	(106,184)
Transfers in	-	32,512	-	32,512
Capital contributions	<u>-</u>	<u>21,015</u>	<u>-</u>	<u>21,015</u>
Change in net assets	50,056	(81,971)	(20,742)	(52,657)
Total net assets, beginning of year	404,915	1,334,009	187,582	1,926,506
Total net assets, end of year	<u>\$ 454,971</u>	<u>\$ 1,252,038</u>	<u>\$ 166,840</u>	<u>\$ 1,873,849</u>

See accompanying notes to the basic financial statements

CITY OF SUGAR CREEK, MISSOURI
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2012

	Water	Sanitary Sewer	Sanitation	Totals
Cash flows provided by (used in) operating activities:				
Receipts from customers	\$ 261,853	\$ 588,197	\$ 220,791	\$ 1,070,841
Payments to suppliers	(106,664)	(639,813)	(38,562)	(785,039)
Payments to employees	(79,702)	(53,283)	(184,780)	(317,765)
Net cash provided by (used in) operating activities	<u>75,487</u>	<u>(104,899)</u>	<u>(2,551)</u>	<u>(31,963)</u>
Cash Flows Provided by (used in) Noncapital Financing Activities:				
Transfers in (out)	-	32,512	-	32,512
Negative cash balance implicitly financed	-	-	26,361	26,361
Net Cash Flows Provided by (used in) Noncapital Financing Activities	<u>-</u>	<u>32,512</u>	<u>26,361</u>	<u>58,873</u>
Cash flows provided by (used in) investing activities:				
Interest received	623	13,994	169	14,786
Purchases of certificates of deposit	(552,852)	(723,503)	(177,527)	(1,453,882)
Maturity of certificates of deposit	498,652	781,777	150,657	1,431,086
Reimbursements from developers	-	64,331	-	64,331
Net cash flows provided by (used in) investing activities	<u>(53,577)</u>	<u>136,599</u>	<u>(26,701)</u>	<u>56,321</u>
Cash flows provided by (used in) capital and related financing activities:				
Purchases of capital assets	(20,304)	(18,490)	-	(38,794)
Special assessments received	-	3,255	-	3,255
Net cash flows provided by (used in) capital and related financing activities	<u>(20,304)</u>	<u>(15,235)</u>	<u>-</u>	<u>(35,539)</u>
Net change in cash and equivalents	1,606	48,977	(2,891)	47,692
Cash and equivalents, beginning of year	83,916	36,349	2,891	123,156
Cash and equivalents, end of year	85,522	85,326	-	170,848
Long-term certificates of deposit	216,376	325,783	75,838	617,997
Total cash and investments reported on the Statement of Net Assets	<u>\$ 301,898</u>	<u>\$ 411,109</u>	<u>\$ 75,838</u>	<u>\$ 788,845</u>
Cash and investments reported on the Statement of Net Assets:				
Pooled cash and investments	\$ 221,881	\$ 406,133	\$ 75,838	\$ 703,852
Restricted cash and investments	80,017	4,976	-	84,993
Total cash and investments	<u>\$ 301,898</u>	<u>\$ 411,109</u>	<u>\$ 75,838</u>	<u>\$ 788,845</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 49,483	\$ (141,334)	\$ (20,917)	\$ (112,768)
Adjustments to reconcile operating loss to net cash used by operations:				
Depreciation	16,630	32,837	14,040	63,507
Change in compensated absences, OPEB, and net pension obligations	938	516	5,163	6,617
Changes in:				
Receivables	(6,275)	(20,677)	(949)	(27,901)
Prepaid expenses and deposits	(188)	(246)	(374)	(808)
Accounts payable	11,884	33,956	(1,185)	44,655
Accrued liabilities	385	(9,951)	1,671	(7,895)
Customer deposits	2,630	-	-	2,630
Net cash provided by (used in) operating activities	<u>\$ 75,487</u>	<u>\$ (104,899)</u>	<u>\$ (2,551)</u>	<u>\$ (31,963)</u>
Noncash capital and financing activities:				
Capital contributions	<u>\$ -</u>	<u>\$ 21,015</u>	<u>\$ -</u>	<u>\$ 21,015</u>

See accompanying notes to the basic financial statements

NOTES TO THE BASIC FINANCIAL STATEMENTS

The notes to the basic financial statements include a summary of accounting policies followed and other information provided by the City of Sugar Creek, Missouri, judged to be most appropriate for full disclosure in the preparation of the basic financial statements.

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2012

(1) Summary of Significant Accounting Policies

The City of Sugar Creek, Missouri (the City) was incorporated on November 15, 1920 under an order of the Jackson County Circuit Court. The City is a fourth class city and operates under a Mayor-Board of Aldermen form of government. The City Administrator is the chief administrative officer of the City. The City provides services to nearly 4,000 residents in many areas, including law enforcement and fire protection, water, sewer and sanitation services, community enrichment and development, and various social services.

The accounting and reporting policies of the City conform to generally accepted accounting principles (GAAP) in the United States of America applicable to local governments. The following represent the more significant accounting and reporting policies and practices of the City.

A. Financial Reporting Entity

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. Component units are separate legal entities which are included in the primary government's financial report. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not only, criterion for including a potential component unit within the reporting entity is the City's financial accountability for the potential component unit. An entity is considered a component unit if City officials appoint a voting majority of the component unit's governing body and the City is able to impose its will upon the component unit. Additionally, if the entity provides specific financial benefits to or imposes specific financial burdens on the City, it may be considered a component unit.

This report includes the financial statements of the City (the primary government) which includes The Industrial Development Authority of the City of Sugar Creek (IDA) as a blended component unit. The IDA has entered into a promissory note agreement a bank and has leased certain development properties to the City as further discussed in Note 8(D). The activities of the IDA are reflected in the Heritage Ridge Development Fund . The IDA does not issue financial statements.

B. Basis of Presentation

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds).

Government-wide financial statements

The statement of net assets and the statement of activities display information about the City, the primary government, as a whole. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. Expenses are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the City.

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2012

Fund financial statements

Fund financial statements report detailed information about the City. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

GOVERNMENTAL FUNDS

Governmental Funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities (other than those in Proprietary Funds) are accounted for through Governmental Funds. The measurement focus is upon determination of financial position and changes in financial position, rather than upon net income determination.

The following are the City's major governmental funds:

The General Fund – the general operating fund of the City and accounts for all financial transactions not accounted for in other funds. The general operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are financed through revenues received by the General Fund.

The Reuse Agreement Fund – used to account for the City's reuse agreement revenues from BP Products of North America, Inc.

State Gasoline Tax Fund – used to account for the City's share of motor vehicle fuel, sales and license tax revenues and grant revenues and expenditures related to the Lewis and Clark Expressway project.

Heritage Ridge Development Fund (formally known as the Sugarland Development Fund) – to account for the activities and obligations related to the Heritage Ridge redevelopment project and the IDA.

PROPRIETARY FUNDS

Proprietary Funds are used to account for the City's ongoing activities which are similar to those found in the private sector. The measurement focus is upon determination of net income, financial position, and changes in financial position.

The following are the City's major proprietary funds:

The Water Utility Fund – accounts for the provision of water services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

The Sewer Utility Fund – accounts for the provision of sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

The Sanitation Fund – accounts for the provision of sanitation services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2012

C. Basis of Accounting

Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned or when all eligibility requirements have been satisfied and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, sales tax, and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. This is a similar approach to that used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, the governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental Fund Financial Statements

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

Revenue Recognition

In applying the susceptible to accrual concept under the modified accrual basis, certain revenue sources are deemed both measurable and available (collectible within the current year or within two months of year-end and available to pay obligations of the current period). This includes property taxes, investment earnings and state-levied locally shared taxes (including motor vehicle fees). The City records property tax receivables at the time the lien attaches to the property. Reimbursements due for federally funded projects are accrued as revenue at the time the expenditures are made, or when received in advance, deferred until expenditures are made.

Other revenues, including licenses and permits, certain charges for services, and miscellaneous revenues, are recorded as revenue when received in cash because they are generally not measurable until actually received.

Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on general long-term debt, which have not matured are recognized when due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

Proprietary Fund Financial Statements

The economic resources measurement focus and the accrual basis of accounting are utilized by the proprietary funds. Under this basis of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred. All assets and liabilities (whether current or noncurrent) associated with a proprietary fund's activities are included on its statement of net assets and statement of activities. Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. All other revenues and expenses are considered nonoperating.

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2012

In reporting the financial activity of its business-type activities and enterprise funds, the City applies all applicable Governmental Accounting Standards Board (GASB) pronouncements. Those include the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations; Accounting Principles Board Opinions; and Accounting Research Bulletins of the Committee on Accounting Procedures. For enterprise funds, the City also has the option of electing to apply FASB pronouncements issued after November 30, 1989. The City has elected not to apply those pronouncements.

D. Cash and Investments

Missouri State Statutes authorize the City, with certain restrictions, to deposit funds in open accounts, time deposits, investment pools and certificates of deposit. Statutes also require that collateral pledged must have a fair value equal to 100% of the funds on deposit, less insured amounts. Collateral securities must be held by the City or an independent third party and must be of the kind prescribed by State Statutes and approved by the State.

The City maintains and controls a cash pool in which a majority of the City's funds share. Each fund's portion of the pool is displayed on their respective balance sheet or statement of net assets as "pooled cash and investments". The City's cash and investments are primarily considered to be cash on hand, amounts in demand deposits, and certificates of deposits. Interest earned on demand deposits is recorded in the General Fund. Interest income earned on certificates of deposit is allocated to the various funds on the basis of average month-end balances.

For purposes of the statement of cash flows, short-term investments and certificates of deposit with a maturity date within three months of the date acquired by the City, if any, are considered cash equivalents.

E. Accounts Receivable

Accounts receivable result primarily from miscellaneous services provided to citizens accounted for in the Governmental Funds, and from water, sewer, and sanitation services accounted for in the their respective Proprietary Fund net of an allowance for doubtful accounts.

F. Prepaid Items

Certain payments to vendors reflecting costs applicable to future accounting periods have been recorded as prepaid items in both the government-wide and fund financial statements using the consumption method.

G. Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (i.e. roads, street lights, storm sewers, etc.) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are charged to expenditures as purchased in the governmental fund statements, and capitalized in the proprietary fund statements. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at estimated fair value as of the date of the donation.

Capital assets are defined by the City as assets with an initial, individual cost of \$1,000 or more and an estimated useful life of greater than one year. Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred. Fully depreciated capital assets are included in their respective accounts until their disposal.

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2012

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Assets and is provided on the straight-line basis over the following estimated useful lives:

Buildings	30 – 40 years
Machinery and equipment	5 – 10 years
Automobiles	5 – 15 years
Infrastructure	50 years
Sewer and water systems	30 – 70 years

H. Compensated Absences

Under terms of the City's personnel policy, City employees are granted vacation and sick leave in varying amounts. Vacation days are required to be taken within the current or following calendar year in which earned. In the event of retirement or termination, an employee is paid for unused vacation days.

City employees are eligible to receive payment for accumulated sick leave only upon retirement. In the event of retirement, an employee is paid for unused sick days up to the maximum of 30 days. The amount of sick leave, which will be utilized or paid in future years, does not vest until retirement.

Vested or accumulation vacation and sick time is accounted for as follows:

Governmental Funds - The accumulated liabilities for employee vacation and sick time is recorded in the governmental activities column of the government-wide financial statements.

Proprietary Funds - The costs of vacation and sick pay are accrued in the respective funds as earned by City employees and recorded in the proprietary fund financial statements and the business-type activities column of the government-wide financial statements.

I. Deferred Revenue

Deferred revenue consists primarily of certain special assessments, grant funding reimbursement requests and other items that are considered measurable, but not available to meet the current financial needs of the governmental unit.

J. Interfund Activity

Loans – amounts provided with a requirement for repayment. Interfund loans are reported as interfund receivables (i.e., due from other funds) in lender funds and interfund payables (i.e. due to other funds) in borrower funds.

Services provided and used – sales and purchases of goods and services between funds for a price approximating their fair value. Interfund services provided and used are reported as revenues in funds providing the good or service and expenditures or expenses in the fund purchasing the good or service. Unpaid amounts are reported as interfund receivables and payables in the fund balance sheets or fund statements of net assets.

Reimbursements – repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers – flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2012

K. Fund Balances

In the fund financial statements, governmental funds report the following fund balance classifications:

Non-Spendable – This consists of amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted – This consists of amounts where constraints are placed on the use of those resources which are either externally imposed by creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed – This consists of amounts which can only be used for specific purposes determined by a formal action of passing an ordinance by the Board of Aldermen, the City's highest level of decision-making authority. Any changes or removal of specific purpose requires the same action by the Board of Aldermen.

Assigned – This consists of amounts which are constrained by City management's intent to be used for a specific purpose but do not meet the criteria to be classified as committed. City management or the Board of Alderman in accordance with City policy may assign amounts for a specific purpose in this category.

Unassigned – This consists of the residual fund balance that does not meet the requirements for the non-spendable, restricted, committed, or assigned classifications. A positive unassigned fund balance is only possible in the general fund.

The City has a fund balance policy that provides guidance for programs with multiple revenue sources. The policy is to use restricted resources first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance.

L. Net Asset Classifications

In the government-wide statements, equity is shown as net assets and classified into three components:

- (1) Invested in capital assets, net of related debt – consisting of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgage notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- (2) Restricted net assets – consisting of net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The City first utilizes restricted resources to finance qualifying activities.
- (3) Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

M. Expenditures in Excess of Budgeted Appropriations

In violation of the budget ordinance, actual expenditures exceeded budgeted appropriations in the State Gasoline Tax Fund by \$53,337 and the Certificates of Participation Fund by \$2,403.

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2012

N. Use of Estimates

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) Cash and Investments

A summary of the City's significant policies relating to cash and investments can be found in Note 1. A reconciliation of cash and investments with the Government-wide Statement of Net Assets is as follows:

Cash on hand	\$	700
Demand deposits		1,858,061
Certificates of deposits		3,818,037
Restricted cash equivalents held in trust		263,619
	\$	<u>5,940,417</u>
		Government-wide statement of net assets
Pooled cash and investments	\$	4,576,449
Restricted cash and investments		1,363,968
	\$	<u>5,940,417</u>

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is that, in the event of the failure of a counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City's policy is to collateralize deposits with securities held by the financial institution's agent and in the City's name.

As of September 30, 2012, all of the City's deposits were insured with Federal depository insurance, with the remaining uninsured balance collateralized by securities held in the City's name by their financial institution's agent. Accordingly, management has determined that none of the City's deposits were exposed to custodial credit risk as of September 30, 2012.

(3) Tax Revenues and Taxes Receivable

The City's property taxes are levied and recorded each November 1 on the assessed value as of the prior January 1 for all property located in the City, and are delinquent on January 1 (the lien date) following the levy date. The assessed value of local property at January 1, 2011, was \$46,352,034.

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements
September 30, 2012

The City is permitted by the Missouri State Constitution to levy (without a vote of two-thirds of the voting electorate) taxes up to \$1.00 per \$100 of assessed valuation for general governmental services other than the payment of principal and interest on long-term debt. The City's property tax levies per \$100 of assessed valuation for the year in which the revenues were earned were as follows:

<u>Fund</u>	<u>Levy</u>
General	\$ 1.00
Public Health	0.13
	<u>\$ 1.13</u>

Tax revenues for the year consisted of the following:

	<u>General Fund</u>	<u>Other Nonmajor Funds</u>	<u>Total</u>
Franchise taxes	\$ 1,451,253	\$ 3,200	\$ 1,454,453
Gross receipts taxes	1,041,209	-	1,041,209
Property taxes	532,428	100,004	632,432
Sales and use taxes	310,077	395,589	705,666
Other taxes	46,759	-	46,759
	<u>\$ 3,381,726</u>	<u>\$ 498,793</u>	<u>\$ 3,880,519</u>

Taxes receivable represent property, sales, gross receipts, and franchise taxes, including interest and penalties, reduced by an appropriate allowance for uncollectible taxes. Taxes receivable consisted of the following at September 30, 2012:

	<u>General Fund</u>	<u>Other Nonmajor Funds</u>	<u>Total</u>
Franchise taxes	\$ 138,717	\$ -	\$ 138,717
Gross receipts taxes	255,245	-	255,245
Property taxes	59,495	11,012	70,507
Sales and use taxes	45,650	45,650	91,300
	<u>\$ 499,107</u>	<u>\$ 56,662</u>	<u>\$ 555,769</u>

(4) Intergovernmental Revenue/Receivables

Intergovernmental revenue during the year consisted of the following:

	<u>General Fund</u>	<u>Gasoline Tax</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Grants - Federal, State and Local	\$ 56,603	\$ 1,474,566	\$ -	\$ 1,531,169
State:				
Motor vehicle sales tax	-	86,621	-	86,621
Motor vehicle fuel tax	-	20,880	-	20,880
Motor vehicle license and title transfer fees	-	14,576	-	14,576
Local:				
Tax increment financing revenues	-	-	29,400	29,400
County Urban Road System	-	4,499	-	4,499
Total Intergovernmental Revenue	<u>\$ 56,603</u>	<u>\$ 1,601,142</u>	<u>\$ 29,400</u>	<u>\$ 1,687,145</u>

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements
September 30, 2012

Amounts due from other governments at September 30, 2012, were as follows:

	<u>General Fund</u>	<u>State Gasoline Tax</u>	<u>Other Nonmajor Funds</u>	<u>Total</u>
Grants - federal, state, and local	\$ 34,053	\$ 214,664	\$ 55,871	\$ 304,588
State:				
Motor vehicle sales tax	-	14,186	-	14,186
Motor vehicle fuel tax	-	3,641	-	3,641
Motor vehicle license and title transfer fees	-	2,354	-	2,354
County:				
Tax increment financing revenues	-	-	12,746	12,746
Total due from other governments	<u>\$ 34,053</u>	<u>\$ 234,845</u>	<u>\$ 68,617</u>	<u>\$ 337,515</u>

(5) Notes Receivable

In prior years, the City expended approximately \$591,000 for the development of its portion of the Mill Creek Sewer System to encourage economic development. The City has engaged in efforts to be reimbursed for these costs from the beneficiaries of the sewer lines. The City has entered into reimbursement agreements with certain users of the sewer system totaling \$572,435. Amounts have been received in the form of cash and notes receivable. The notes are payable in ten annual equal installments and includes interest at 8%. The City is actively negotiating agreements from other beneficiaries. These agreements, if any, will be recognized in the year formalized.

A summary of notes receivable activity for the year ending September 30, 2012, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Payments/ Adjustments</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Notes Receivable	<u>\$ 95,601</u>	<u>\$ -</u>	<u>\$ 64,331</u>	<u>\$ 31,270</u>	<u>\$ 31,270</u>

The scheduled maturities for these notes receivable are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	<u>\$ 31,270</u>	<u>\$ 2,502</u>	<u>\$ 33,772</u>

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2012

(6) Interfund Activity

Transfers between funds for the year ended September 30, 2012 were as follows:

	<u>Transfers Out:</u>				<u>Total</u>
	<u>General</u>	<u>Reuse Agreement</u>	<u>Heritage Ridge Development</u>	<u>Other Governmental Funds</u>	
Transfers In:					
Governmental activities:					
Reuse Agreement	\$ -	\$ -	\$ 293	\$ 25,426	\$ 25,719
State Gasoline Tax	-	249,000	-	-	249,000
Heritage Ridge Development	108,549	6,468	-	-	115,017
Other Governmental Funds	<u>180,000</u>	<u>196,794</u>	<u>-</u>	<u>-</u>	<u>376,794</u>
Total governmental activities	<u>288,549</u>	<u>452,262</u>	<u>293</u>	<u>25,426</u>	<u>766,530</u>
Business-type activities:					
Sanitary Sewer Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,512</u>	<u>32,512</u>
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,512</u>	<u>32,512</u>
Total	<u>\$ 288,549</u>	<u>\$ 452,262</u>	<u>\$ 293</u>	<u>\$ 57,938</u>	<u>\$ 799,042</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to debt service funds as debt service payments become due, and (3) to fund certain Heritage Ridge development costs. Any transfers within the governmental funds or within the proprietary funds have been eliminated in the government-wide statement of activities.

In the government-wide statement of activities, capital contributions totaling \$21,105 from governmental activities to business-type activities has been reclassified as transfers in and transfers out. Accordingly, transfers between governmental activities and business-type activities totaled \$53,617.

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2012

Amount due to/due from other funds as of September 30, 2012 were as follows:

	Due to:			Total
	General Fund	State Gas Tax	Nonmajor Governmental	
Due from:				
Governmental activities:				
General Fund	\$ -	\$ -	\$ 7,770	\$ 7,770
Reuse Agreement	-	249,000	-	249,000
Nonmajor governmental	-	-	7,238	7,238
Total governmental activities	<u>-</u>	<u>249,000</u>	<u>15,008</u>	<u>264,008</u>
Business-type activities:				
Sanitary Sewer Fund	75,200	-	-	75,200
Total business-type activities	<u>75,200</u>	<u>-</u>	<u>-</u>	<u>75,200</u>
Total	<u>\$ 75,200</u>	<u>\$ 249,000</u>	<u>\$ 15,008</u>	<u>\$ 339,208</u>

Interfund balances regarding the Sanitary Sewer Fund were used to pay for certain capital outlay expenses in prior years. Other interfund balances represent certain taxes collected by the General Fund and sales tax funds that are payable to the Eagle Materials TIF fund (formally known as the Lafarge TIF fund) to service the related TIF developer obligation. The Board of Alderman approved a transfer from the Reuse Agreement Fund to the State Gasoline Tax Fund to pay for the City's share of the design costs related to the Lewis and Clark Expressway.

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2012

(7) Capital Assets

A summary of the changes in capital assets for the year is as follows:

	September 30, 2011	Additions	Retirements	September 30, 2012
Capital assets, not being depreciated				
Land and improvements	\$ 1,914,337	\$ -	\$ -	\$ 1,914,337
Construction in progress	1,320,466	721,329		2,041,795
Total capital assets, not being depreciated	3,234,803	721,329	-	3,956,132
Capital assets, being depreciated				
Buildings	5,889,473	\$ 348,368	-	6,237,841
Equipment and vehicles	2,743,506	153,152	157,869	2,738,789
Office Equipment	451,875	52,166	20,882	483,159
Infrastructure	4,030,977	-	-	4,030,977
Total capital assets being depreciated	13,115,831	553,686	178,751	13,490,766
Less accumulated depreciation for:				
Buildings	(1,432,234)	(183,210)	-	(1,615,444)
Equipment and vehicles	(2,063,886)	(144,344)	(157,869)	(2,050,361)
Office Equipment	(331,377)	(32,564)	(19,336)	(344,605)
Infrastructure	(2,862,924)	(80,620)	-	(2,943,544)
Total accumulated depreciation	(6,690,421)	(440,738)	(177,205)	(6,953,954)
Total capital assets being depreciated, net	6,425,410			6,536,812
Governmental activities capital assets, net	\$ 9,660,213			\$ 10,492,944

	September 30, 2011	Additions	Retirements	September 30, 2012
Business-type activates:				
Capital assets, not being depreciated				
Construction in progress	\$ -	\$ 39,505	\$ -	\$ 39,505
Total capital assets, not being depreciated	-	39,505	-	39,505
Capital assets, being depreciated				
Equipment and vehicles	657,190	4,971	15,180	646,981
Sewer and water lines	2,429,594	15,334	-	2,444,928
Total capital assets being depreciated	3,086,784	20,305	15,180	3,091,909
Less accumulated depreciation for:				
Equipment and vehicles	(517,080)	(23,469)	(15,180)	(525,369)
Sewer and water lines	(1,521,678)	(40,038)	-	(1,561,716)
Total accumulated depreciation	(2,038,758)	(63,507)	(15,180)	(2,087,085)
Total capital assets being depreciated, net	1,048,026			1,004,824
Business-type activates capital assets, net	\$ 1,048,026			\$ 1,044,329

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2012

Depreciation expense was charged to functions and programs of the primary government as follows:

Governmental activities	
General administration	\$ 14,073
Public safety	227,521
Streets and public works	176,148
Parks and recreation	22,996
Total depreciation expense for governmental activities	\$ 440,738
Business-type activities	
Water	\$ 16,630
Sewer	32,837
Sanitation	14,040
Total depreciation expense for business-type activities	\$ 63,507

(8) Long Term Debt

A summary of the changes in long term debt is as follows:

	Beginning of Year	Adjustments/ Additions	Adjustments/ Retirements	End of Year	Due Within One Year
Governmental Activities:					
* Compensated absences	\$ 132,504	\$ 166,422	\$ 148,060	\$ 150,866	\$ 113,725
* Other post employment benefits	55,113	14,427	-	69,540	-
* Net pension obligation	27,049	21,992	-	49,041	-
Certificates of participation	2,545,000	-	55,000	2,490,000	60,000
Discount on issuance	(68,299)	-	(3,058)	(65,241)	(3,058)
Energy Loan	-	94,712	-	94,712	11,998
Developer agreement - TIF	1,618,685	-	63,797	1,554,888	70,250
Subtotal	4,310,052	297,553	263,799	4,343,806	252,915
Bank promissory note	2,287,585	-	-	2,287,585	104,420
Total	\$ 6,597,637	\$ 297,553	\$ 263,799	\$ 6,631,391	\$ 357,335
Business-type Activates:					
Compensated absences	\$ 1,783	\$ 5,095	\$ 5,180	\$ 1,698	\$ 1,698
Net pension obligation	2,588	3,549	-	6,137	-
Other post employment benefits	60	3,153	-	3,213	-
Total	\$ 4,431	\$ 11,797	\$ 5,180	\$ 11,048	\$ 1,698

* Primarily liquidated by the General fund in prior years.

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2012

A. Certificates of Participation

During fiscal year 2009, the City issued \$2,690,000 Certificates of Participation for the purpose of reimbursing the Reuse Agreement Fund for costs related to the City's public safety facility. Certain funds in the Reuse Agreement Fund have been made available for the Sugarland project. Principal and interest payments are due semi-annually beginning on February 1, 2010 through February 1, 2034 with principal payments ranging from \$55,000 to \$440,000, and interest rates ranging from 3.75% to 6.0%.

B. Energy Efficiency Loan

During fiscal year 2012, the City entered into a loan agreement with the Missouri Department of Natural Resources for the purpose of improving the energy efficiency of City buildings. The total amount of the non-interest bearing loan was \$107,984. For financial reporting, the principal and interest payments were calculated based on the City's imputed interest rate of 3.6%. Principal and interest payments are due semi-annually beginning February 1, 2013 through February 1, 2020 with principal payments ranging from \$4,741 to \$14,197.

C. Developer Agreement – Eagle Materials TIF (Formally LaFarge TIF)

During fiscal year 2003, the City entered into a tax increment financing (TIF) agreement to redevelop several structures, including the conversion of an elementary school into an office building, the improvement of an existing ready-mix concrete plant, the addition of sub-surface mining operations, and the construction of related infrastructure necessary to adequately serve the redevelopment area. The City's obligation to repay the related costs of this agreement will be repaid over a period of 23 years, with interest accruing at the rate of 5.9%. This obligation is a special limited obligation of the City, payable only to the extent of available tax increment financing revenues subject to annual appropriations. In 2012, Eagle Materials acquired LaFarge North America.

At September 30, 2012, the total obligation under this agreement was \$1,554,888. The obligation is payable to the extent incremental taxes are available for a period not to exceed 23 years. For the current year, principal and interest payments related to the developer agreement totaled \$172,034. Incremental revenues from the City were \$118,993 in sales taxes, property taxes, and franchise taxes. The remaining funds were derived from incremental tax revenues from other taxing districts and governmental entities.

D. Heritage Ridge Development (formally known as Sugarland Development)

During fiscal year 2007, the City entered into a tax increment financing (TIF) agreement for the construction of commercial, retail, and restaurant space, as well as a mixed use, high density residential project consisting of approximately 80 units. On June 21, 2011, the City and JLP Sugarland, Inc. Sugarland, LLC, and Jeffrey L. Peterson (collectively the "Developer") entered into a Settlement Agreement to terminate the relationship created by the TIF agreement. The Settlement Agreement was subsequently amended on September 29, 2011. In connection with the Settlement Agreement, the City authorized the formation of the Industrial Development Authority of the City of Sugar Creek (IDA). The IDA was created to enter into a loan agreement with the Bank of Kansas City (the Bank), as contemplated by the Settlement Agreement. In addition to establishing the IDA, the City's Board of Aldermen approved an ordinance which among other things, authorized conveying all developer owned real estate and improvements located in the project to the IDA.

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2012

Principal terms of the Settlement Agreement as amended resulted in the following actions being taken by the Developer, and the City or its designee, the IDA:

1. The Developer conveyed title to all real property owned by the Developer within the Redevelopment Area to the IDA by warranty deed, subject to a lien on the property held as collateral by the Bank.
2. The IDA entered into a loan agreement with the Bank of Kansas City to provide for the refinancing of the remaining balance on the Project Loans in the amount of \$2,287,585 and pledged all of its land and improvements as collateral for the note. Under the terms of the note agreement, the IDA will pay interest only at the Bank's prime rate plus one percent payable on the first day of each month beginning on September 1, 2011. The note was scheduled to mature on July 31, 2012. The loan agreement also provided that upon the IDA entering into said agreement, JLP Sugarland, Inc. Sugarland, LLC, Jeffrey L. Peterson and officers, directors, partners, predecessors successors and assigns, subsidiary corporations, parent corporations, and related corporate divisions shall receive a full release in form and substance acceptable to JLP Sugarland, Inc., LLC and Jeffrey L. Peterson, from the Bank of Kansas City for the Project Loans and all other liability to the Bank of Kansas City associated with the project.

In 2012, the IDA and the Bank modified the agreement to extend the maturity date to July 31, 2014. In addition, payment terms were modified to also include principal payments commencing March 1, 2013 on the outstanding balance as of January 31, 2013. Principal installment shall be in an amount sufficient to fully amortize the principal amount outstanding on January 31, 2013 over an amortization period of ten (10) years. On July 31, 2014, the current loan terms require the City to pay the remaining principal balance plus any accrued and unpaid interest due to the Bank. The City anticipates the current loan structure will be modified based upon the retail project advancing forward.

3. The City assumed responsibility for the payment of certain project vendors at a cost of \$201,403.
4. The Developer was responsible for paying or otherwise satisfying all other vendors for work on the project. The City deposited \$200,000 in an escrow account to assist the Developer in meeting this responsibility.
5. The Developer relinquished any rights it may have under any and all existing leases associated with the Project.

In connection with the IDA promissory note with the Bank, the IDA and the City entered into a Lease Purchase Agreement (the Lease Agreement). The Lease Agreement has been assigned to the Bank in connection with the promissory note. The Lease Agreement was scheduled to terminate on September 30, 2012. The Lease Agreement included an option for an additional one year renewable term provided that the renewable term does not extend beyond September 30, 2013.

The IDA and the City modified the Lease Agreement to extend the final renewal term to not exceed December 31, 2014.

Principal terms of the Lease Agreement include the following:

1. The IDA will lease its interest in its land and any improvements to the City. The City's lease payments will be in such amounts as are required to pay the obligations of the IDA under the promissory note.

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2012

2. The City will budget and appropriate funds to make the lease payments that are scheduled to come due under the Lease Agreement. These same funds are not to be expended for other purposes.
3. The City shall have the option to purchase the land and improvements for the principal amount remaining to be paid under the promissory note on any rental payment date after the rental payment for that date.

Property Held for Redevelopment

During 2007 and 2008, the City acquired various properties associated with the implementation of the Sugarland TIF redevelopment plan totaling approximately \$5.6 million. In accordance with the redevelopment agreement, the majority of the properties acquired were conveyed to the Developer. The agreement provided that in the event the Developer fails to perform its obligations under the redevelopment plan and/or the City and Developer agree to abandon the project, the City shall have an unconditional right to repurchase the properties at an amount equal to the amount that the Developer paid (approximately \$479,000) the City plus any reasonable costs incurred by the Developer related to work actually performed on the properties. The Developer had pledged certain property as collateral for the developer bridge loans discussed above.

As part of the Settlement agreement, the Developer conveyed title to all real property owned by the Developer within the Redevelopment Area to the IDA by warranty deed. The developer conveyed property was recorded by the City at an estimated value of \$500,000 in its September 30, 2010 financial statements. As discussed above, the IDA has pledged the conveyed property as collateral on the bank promissory note.

A summary of the changes in property held for redevelopment for the year is as follows:

	Balance at September 30, 2011	Additions	Reductions	Balance at September 30, 2012
Property Held for Redevelopment	\$ 1,128,719	\$ -	\$ -	\$ 1,128,719

In September, 2012, the City entered into a tax increment financing contract with Edwards Management Group, LLC (the Developer) The developer has not provided the City with the required project financing plan within the 60 days of the effective date of the contract. The City and the Developer are in the process of updating a prior market study and the Developer attempting to secure an operator for the proposed grocery store in phase 1 of the project. Proposed project financing may include a combination of private funds, issuance of tax increment financing bonds, establishing transportation development and community improvement districts. The City and the Developer are continuing efforts in attempting to move forward with the project and the related financing plan.

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2012

E. Future Debt Service Requirements

The estimated annual payments required to retire the City's debt obligations are as follows:

	Certificates of Participation		Developer Agreement - Eagle Materials TIF		Bank Promisary Note	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 60,000	\$ 138,375	\$ 70,250	\$ 96,595	\$ 104,420	\$ 113,081
2014	60,000	136,125	79,189	87,666	2,183,165	88,089
2015	60,000	133,875	83,861	82,983	-	-
2016	65,000	131,125	88,809	78,035	-	-
2017	70,000	127,750	94,049	72,796	-	-
2018-2022	390,000	582,188	560,321	273,903	-	-
2023-2027	505,000	461,163	578,409	87,917	-	-
2028-2032	680,000	286,500	-	-	-	-
2033-2034	600,000	44,400	-	-	-	-
Totals	\$ 2,490,000	\$ 2,041,501	\$ 1,554,888	\$ 779,895	\$ 2,287,585	\$ 201,170

	Energy Loan		Total	
	Principal	Interest	Principal	Interest
2013	\$ 11,998	\$ 2,751	\$ 246,668	\$ 350,802
2014	11,877	2,872	2,334,231	314,752
2015	12,309	2,440	156,170	219,298
2016	12,756	1,993	166,565	211,153
2017	13,219	1,530	177,268	202,076
2018-2022	32,553	1,686	982,874	857,777
2023-2027	-	-	1,083,409	549,080
2028-2032	-	-	680,000	286,500
2033-2034	-	-	600,000	44,400
Totals	\$ 94,712	\$ 13,272	\$ 6,427,185	\$ 3,035,838

(9) Cooperative Agreement – Wastewater Treatment System

The City participates with the City of Independence, Missouri and other political subdivisions through a Cooperative Agreement for Reciprocal Sewer Services for the operation of the Rock Creek Wastewater Treatment Plant. Each participating political subdivision pays its share of operating, maintenance, and certain replacement costs as prescribed in the agreement. For the year ended September 30, 2012, the City's portion of the shared costs was \$546,411.

(10) Employees Retirement System

A. Plan Description

The City participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan, which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, Section RSMo. 70.600 – 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax-exempt.

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2012

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

B. Funding Status

The City's full-time employees do not contribute to the pension plan. The City is required by State Statute to contribute at an actuarially determined rate; the current rate is 6.6% (general), 2.1% (police), and 2.4% (fire) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. State Statute establishes the contribution provisions of the City.

Annual Pension Cost and Net Pension Obligation

The City's annual pension cost and net pension obligation as of September 30, 2012 are as follows:

	Total Primary Government
Annual required contribution	\$ 126,560
Interest on net pension obligation	2,149
Adjustment to annual required contribution	<u>(2,806)</u>
Annual pension cost (APC)	125,903
Actual contributions	<u>100,362</u>
Increase in net pension obligation (NPO)	25,541
NPO - beginning of year	<u>29,637</u>
NPO - end of year	<u>\$ 55,178</u>

The City's annual required contribution (ARC) was determined as part of the February 28, 2009 and February 28, 2010 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually; (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation; (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age, attributable to seniority/merit; (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women; and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 year for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 28, 2009 and 2010 was thirty years for the general division, 14 years for police and 10 years for fire.

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2012

Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
9/30/2010	\$ 64,691	100%	\$ -
9/30/2011	112,687	74%	29,637
9/30/2012	125,903	80%	55,178

Funded Status and Funding Progress

As of February 29, 2012, which represents the most recent actuarial valuation date, the actuarial accrued liability for benefits within the plan for the City was \$5,341,693. The actuarial value of assets was \$6,108,491, which results in an excess funding of the actuarial accrued liability (AAL) of \$766,798 and a funded ratio of 114 percent. The covered payroll (annual payroll of active employees covered by the plan) was \$2,249,022, which results in a ratio of the excess funding of the AAL to the covered payroll of 34 percent.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

(11) Other Post-Employment Benefits

A. Plan Description

The City provides for a continuation of medical, prescription drug, hearing and vision insurance benefits to employees that retire from City employment. The City provides retiree healthcare benefits through Midwest Public Risk (MPR), which is a risk pool comprised of approximately 115 entity members. It has been determined that MPR functions as an agent multiple-employer plan. The plan does not issue separate financial statements.

The City requires the retirees to pay 125% of the premiums charged to active employees. The rates being paid by retirees for benefits are typically lower than those for individual health insurance policies. (The retiree insurance is guaranteed issue; no medical questionnaire is required.) The difference between these amounts is the implicit rate subsidy, which is considered other post employment benefits (OPEB) under Governmental Accounting Standards Board Statement No. 45 (GASB Statement 45).

Retirees and spouses have the same benefits as active employees. However, all retiree coverage terminates upon Medicare entitlement or payment is not received on a timely basis. When the retiree attains Medicare eligibility age, it may be a COBRA qualifying event for the spouse.

Funding Policy

GASB Statement 45 does not require funding of the OPEB liability, and the City has chosen not to fund it.

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2012

Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, which represents an amount that is actuarially determined in accordance with the requirements of GASB Statement 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year plus the amortization of the unfunded actuarial liability over a period of time that the City has selected as being thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount of expected employer contributions to the plan, and changes in the City's net OPEB obligation.

	Total Primary Government
Annual required contribution	\$ 18,237
Interest on net OPEB obligation	2,751
Adjustment to annual required contribution	<u>(3,408)</u>
Annual OPEB cost (expense)	17,580
Less: Net employer contributions	<u>-</u>
Increase (decrease) in net OPEB obligation	17,580
Net OPEB obligation - September 30, 2011	55,173
Net OPEB obligation - September 30, 2012	<u>\$ 72,753</u>

The City's annual OPEB cost, the percentage of annual OPEB costs estimated to be contributed to the plan, and the net OPEB obligation for the fiscal year ending September 30, 2012 is as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
9/30/2010	\$ 17,333	5.77%	\$ 38,836
9/30/2011	17,333	5.77%	55,173
9/30/2012	17,580	0.00%	72,753

Funded Status and Funding Progress

As of July 1, 2011, which represents the most recent actuarial valuation date, the actuarial accrued liability for benefits within the plan for the City is \$82,937. There are no assets set aside for funding the plan as of that date, thus the entire amount is unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$2,146,536, which results in a ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll of 3.9 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2012

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The projected unit credit actuarial cost method is used in the July 1, 2011 actuarial valuation. The actuarial present value of benefits is determined for each participant. The sum of these actuarial present values of benefits allocated to the current valuation year is the normal cost for the initial plan year. The sum of actuarial present values of benefits allocated to all valuation years preceding the valuation date represents the actuarial accrued liability.

The actuarial assumptions include a 5.00 percent investment rate of return. The actuarial assumptions for healthcare cost trend which includes the inflation rate assumption of 8.5 percent for the first year and then declining by 0.5 percent per year until 5.0 percent is reached. The 5.0 percent growth is used on a go-forward basis. The UAAL will be amortized over a period of 30 years using a level percentage of projected payroll on an open basis.

(12) Commitments and Contingencies

A. Insurance

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City is a member of the Midwest Public Risk (MPR), formerly Mid-America Regional Council Insurance Trust, a not-for-profit corporation consisting of local governments and political subdivisions. MPR was formed as a public entity risk retention pool to cover health and dental, workers' compensation, and property and casualty claims for its members. MPR has been established as assessable pools and accounting records are maintained for each line of coverage on a policy-year basis. The City pays annual premiums to MPR for all coverage. The agreement with MPR provides that MPR will be self-sustaining through member premiums. MPR has the authority to assess members for any deficiencies of revenues under expenses for any single plan year. Likewise, MPR has the authority to declare refunds to members for the excess of revenues over expenses relating to any single plan year. The City continues to carry commercial insurance for employee life insurance and short-term disability. The amount of settlements has not exceeded the City's insurance coverage in any of the past three fiscal years.

B. Federal and State Grants

The City has received financial assistance from various federal, state, and local agencies in the form of grants and entitlements. These programs are subject to audit by agents of the granting authority. Management does not believe that liabilities for reimbursements, if any, will have a materially adverse effect upon the financial condition of the City.

C. Litigation

The City is involved in legal proceedings arising from the ordinary course of City activities. While these proceedings may have future financial effect, management believes that their ultimate outcome will not be material to the basic financial statements.

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2012

D. Conduit Debt

In a prior year, the City issued Taxable Industrial Development Revenue Bonds (bonds) for the purpose of providing funds to purchase, construct, install, and equip a cement manufacturing facility, a subordinate limestone mining facility, and certain transportation and distribution improvements (the Project). In 2003, the City issued \$150,000,000 Taxable Industrial Revenue Bonds to refund the previous bonds. Along with the issuance of the refunding bonds, the City amended the existing development and lease agreement with LaFarge Corporation to develop and lease the project. The amended project lease payments are equal to the principal and interest on the bonds plus an additional lease payment of \$50,000 per year beginning in 2004 plus certain payments in lieu of taxes. The bonds and the interest are limited obligations of the City payable solely out of the payments, revenues, and receipts derived by the City from the lease agreement. As the City is only contingently liable for repayment, the bond and the related lease are not recorded on the City's books.

As of September 30, 2012, the aggregate principal amount payable on the bonds was \$150,000,000. During November 2012, Eagle Material purchased the Lafarge Sugar Creek assets and the Mayor and Board of Aldermen approved transferring the Chapter 100 Agreement and bonds to Eagle Materials. \$47,000,000 of the tax exempt Chapter 100 Bonds were paid in full by Lafarge at closing.

E. Real Estate Purchase Option

In a prior year, the City entered into an agreement which gives them the option to purchase 284 acres of land near the Missouri River for future development. The option required an initial down payment of \$10,000, with additional payments due monthly. During 2012, the City amended the agreement to modify the payment schedule to keep the option open. Under the amended agreement, the City is required to make monthly payments beginning in June 2013 if the option has not been exercised. The amended agreement expires June 2013. The City may terminate this option contract at any time during the option period. Unless canceled by the City, total remaining payments under this agreement are \$63,000 as of September 30, 2012.

F. Lewis and Clark Expressway

During fiscal year 2009, the City entered into agreements with the Missouri Department of Transportation, Kansas City, Missouri, and Independence, Missouri for preliminary design costs related to the construction of the Lewis and Clark Expressway Project (the project). Under these agreements, the Missouri Department of Transportation is providing 80% of the related costs through federal grant funding. The remaining local costs are split 40% to the City of Kansas City, 40% to the City of Sugar Creek, and 20% to the City of Independence. In fiscal year 2011, the City of Independence was no longer capable of funding their portion of the local costs. The remaining 20% of local costs were divided between the City of Sugar Creek and Kansas City. The City of Sugar Creek is responsible for administering the project and making all payments on the contracts. During the year ended September 30, 2012, expenditures related to the project totaled \$949,890. As of September 30, 2012, the City has outstanding commitments of approximately \$268,000 related to contracts on the project. The City was contacted by the Missouri Department of Transportation and advised that certain Federal Transportation Appropriations dating back to 2004 and 2005 would not be available if the City was not able to develop a plan and obligate the funds before December 2012. During the later part of fiscal year 2012, the City developed a plan and design for the Sterling Ave. breakout project which was estimated to cost approximately \$2.4 million. An amendment to the funding agreement between the City and the Missouri Department of Transportation was approved increasing the federal funding amount to \$8,490,498. Based upon the approved funding the City initiated the RFP process for selection of a contractor for construction of the improvements.

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2012

13. Prior Period Adjustment

In June of 2003, the City entered into a Capital Cost Agreement with LaFarge North America to compensate the City for increased traffic as a result of the new operations. The City had not received the minimum payment required since the agreement was executed and this was discovered when LaFarge was sold to Eagle Materials and management determined that the amount should have been recognized in prior years. This adjustment had no effect on the fund balance as the revenue would have been deferred on the fund statements under the modified accrual method used for governmental funds. However, on the government-wide statements the revenue would have been recognized on the full accrual basis of accounting.

	Governmental Activities
Beginning net assets, as originally reported	\$ 11,044,213
Capital cost agreement	213,416
Total restatements	<u>213,416</u>
Beginning net assets, as restated	<u>\$ 11,257,629</u>

14. Subsequent Events

The City evaluated subsequent events through March 28, 2013, the date the financial statements were available to be issued.

(This page has been intentionally left blank)

CITY OF SUGAR CREEK, MISSOURI

Required Supplementary Information

September 30, 2012

Required supplementary information includes financial information and disclosures that are required by GASB but are not considered a part of the basic financial statements.

Such information includes:

- Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund
- Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Reuse Agreement Fund
- Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – State Gasoline Tax Fund
- Schedule of Funding Progress

Budgetary Process

The City prepares an annual operating budget for all Governmental Fund Types using the modified accrual basis of accounting and does not utilize encumbrance accounting. The reported budgetary data represent the final approved budget after amendments as adopted by the Board of Aldermen. The Board of Aldermen utilizes the following procedures in establishing the budgetary data reflected in the general purpose financial statements:

- (1) Prior to September 1, the City Administrator submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) Public hearings are conducted to obtain taxpayer comments.
- (3) Prior to October 1, the budget is legally enacted through passage of an ordinance.
- (4) The legal level of control for the budget is at the fund level, and City management cannot amend the budget without the approval of the Board of Aldermen. However, the City Finance Director has the authority to transfer budgeted amounts between departments within any fund. The Board of Aldermen must approve any revision that alters the total budgeted expenditures of any fund. Unexpended appropriations lapse at year-end.

(This page has been intentionally left blank)

Schedule 1

CITY OF SUGAR CREEK, MISSOURI
Required Supplementary Information
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
General Fund
Year Ended September 30, 2012

	2012			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 3,246,843	\$ 3,465,343	\$ 3,381,726	\$ (83,617)
Intergovernmental revenues	96,713	96,713	56,603	(40,110)
Rentals	78,426	78,426	79,745	1,319
Fines and forfeitures	187,200	285,020	272,510	(12,510)
Payment in lieu of taxes	26,531	26,531	26,439	(92)
Contractual agreements	155,000	212,000	499,669	287,669
Licenses, permits, and fees	99,005	114,235	101,712	(12,523)
Interest	11,000	11,000	10,743	(257)
Charges for services	57,140	72,140	64,018	(8,122)
Other	14,860	124,060	88,227	(35,833)
Total Revenues	<u>3,972,718</u>	<u>4,485,468</u>	<u>4,581,392</u>	<u>95,924</u>
Expenditures:				
General administration	1,331,061	1,575,398	1,477,194	98,204
Public safety	1,925,857	2,000,945	1,975,570	25,375
Streets and public works	764,355	879,123	826,848	52,275
Parks and recreation	245,179	272,382	273,969	(1,587)
Total Expenditures	<u>4,266,452</u>	<u>4,727,848</u>	<u>4,553,581</u>	<u>174,267</u>
Excess of Revenues Over (Under) Expenditures	<u>(293,734)</u>	<u>(242,380)</u>	<u>27,811</u>	<u>270,191</u>
Other Financing Sources (Uses):				
Transfers out	-	(232,477)	(288,549)	(56,072)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(232,477)</u>	<u>(288,549)</u>	<u>(56,072)</u>
Change in fund balance	<u>\$ (293,734)</u>	<u>\$ (474,857)</u>	<u>(260,738)</u>	<u>\$ 214,119</u>
Fund Balances, Beginning of Year			<u>2,821,283</u>	
Fund Balances, End of Year			<u>\$ 2,560,545</u>	

Note: GAAP is the budgetary basis used to prepare this schedule

Schedule 2

CITY OF SUGAR CREEK, MISSOURI
Required Supplementary Information
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Reuse Agreement Fund
Year Ended September 30, 2012

	2012			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Interest	\$ 50	\$ 50	\$ 4,683	\$ 4,633
Total Revenues	<u>50</u>	<u>50</u>	<u>4,683</u>	<u>4,633</u>
Expenditures:				
Economic development	24,400	24,400	20,400	4,000
Total Expenditures	<u>24,400</u>	<u>24,400</u>	<u>20,400</u>	<u>4,000</u>
Excess of Revenues Over (Under) Expenditures	<u>(24,350)</u>	<u>(24,350)</u>	<u>(15,717)</u>	<u>8,633</u>
Other Financing Sources (Uses):				
Transfers in	270,000	270,000	25,719	(244,281)
Transfers out	<u>(737,130)</u>	<u>(737,130)</u>	<u>(452,262)</u>	<u>284,868</u>
Total Other Financing Sources (Uses)	<u>(467,130)</u>	<u>(467,130)</u>	<u>(426,543)</u>	<u>40,587</u>
Change in fund balance	<u>\$ (491,480)</u>	<u>\$ (491,480)</u>	(442,260)	<u>\$ 49,220</u>
Fund Balances, Beginning of Year			<u>1,391,394</u>	
Fund Balances, End of Year			<u>\$ 949,134</u>	

Note: GAAP is the budgetary basis used to prepare this schedule

CITY OF SUGAR CREEK, MISSOURI
Required Supplementary Information
State Gasoline Tax Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended September 30, 2012

	2012		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Intergovernmental	\$ 140,000	\$ 1,573,750	\$ 1,601,142	\$ 27,392
Interest	-	-	51	51
Total Revenues	<u>140,000</u>	<u>1,573,750</u>	<u>1,601,193</u>	<u>27,443</u>
Expenditures:				
Streets and public works	453,300	1,293,853	1,347,190	(53,337)
Total Expenditures	<u>453,300</u>	<u>1,293,853</u>	<u>1,347,190</u>	<u>(53,337)</u>
Other financing (uses):				
Transfers in	238,000	238,000	249,000	11,000
Change in fund balance	<u>\$ (75,300)</u>	<u>\$ 517,897</u>	503,003	<u>\$ (14,894)</u>
Fund Balance (deficit), Beginning of Year			<u>(349,797)</u>	
Fund Balance, End of Year			<u>\$ 153,206</u>	

Note: GAAP is the budgetary basis used to prepare this schedule

City of Sugar Creek, Missouri
Required Supplementary Information
Schedules of Funding Progress
Year Ended September 30, 2012

Employees Retirement System

Fiscal year	Actuarial valuation date	(a) Actuarial value of assets	(b) actuarial accrued liability	(b) - (a) Unfunded (assets in excess of) accrued liability (UAL)	(a)/(b) Funded ratio	(c) annual covered payroll	(b)-(a)/(c) UAL as a percentage of covered payroll
9/30/2010	2/28/2010	\$ 5,559,192	\$ 5,095,562	\$ (463,630)	109%	\$ 2,185,867	-21%
9/30/2011	2/28/2011	6,072,856	5,484,272	(588,584)	111%	2,192,632	-27%
9/30/2012	2/29/2012	6,108,491	5,341,693	(766,798)	114%	2,249,022	-34%

The above assets and actuarial liability do not include assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2011 annual actuarial valuations.

For a complete description of the actuarial assumptions used in the annual valuations, please contact LAGERS office in Jefferson City.

Other Post Employment Benefits

Fiscal year	Actuarial valuation date	(a) Actuarial value of assets	(b) actuarial accrued liability	(b) - (a) Unfunded accrued liability (UAL)	(a)/(b) Funded ratio	(c) annual covered payroll	(b)-(a)/(c) UAL as a percentage of covered payroll
9/30/2009	7/1/2007	\$ -	\$ 150,496	\$ 150,496	0%	\$ 1,941,032	8%
9/30/2010	7/1/2009	-	83,181	83,181	0%	2,153,047	4%
9/30/2012	7/1/2011	-	82,937	82,937	0%	2,146,536	4%

**COMBINING INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

NON-MAJOR FUNDS

Special Revenue Funds are used to account for specific revenues, which are legally restricted to expenditure for particular purposes.

Public Health Fund – used to account for property tax levied for public health purposes including sanitary sewer maintenance.

Capital Improvement Sales Tax Fund – used to account for the City's ½ cent sales tax for capital improvements.

Park Improvement Sales Tax Fund – used to account for the City's ¼ cent sales tax for park improvements.

Stormwater Sales Tax Fund – used to account for the City's ¼ cent sales tax for stormwater improvements.

Capital Project Funds account for resources used for the acquisition and/or construction of capital facilities, except facilities accounted for in Enterprise Funds.

Capital Improvement Fund – used to account for major capital improvement projects.

Revolving Improvement Fund – used to account for special assessments on City and resident properties.

Debt Service Fund account for resources used for the repayment of debt.

Certificates of Participation – used to account for activity related to the Series 2009 Certificates of Participation.

Debt Service Fund – Eagle Materials TIF – used to account for the tax increment financing revenues and the related TIF obligation to Eagle Materials.

CITY OF SUGAR CREEK, MISSOURI
Combining Balance Sheet - Non-major Governmental Funds
September 30, 2012

	Special Revenue Funds		Capital Projects Funds		Debt Service Funds		Totals
	Public Health	Combined	Capital Improvement	Revolving Improvement	Certificates of Participation	TIF Fund	
		Sales Tax Funds					
Assets							
Pooled cash and investments	\$ 773,208	\$ 797,326	\$ 54,928	\$ 113,560	\$ -	\$ 17,937	\$ 1,756,959
Receivables:							
Taxes	11,012	45,650	-	-	-	-	56,662
Accrued interest	989	274	1	125	-	-	1,389
Due from other governments	-	55,871	-	-	-	12,746	68,617
Due from other funds	-	-	-	-	-	15,008	15,008
Restricted Assets - cash and cash investments	-	-	-	-	376,328	-	376,328
Total Assets	<u>\$ 785,209</u>	<u>\$ 899,121</u>	<u>\$ 54,929</u>	<u>\$ 113,685</u>	<u>\$ 376,328</u>	<u>\$ 45,691</u>	<u>\$ 2,274,963</u>
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	\$ 1,490	\$ 30,496	\$ -	\$ -	\$ -	\$ -	\$ 31,986
Due to other funds	-	7,238	-	-	-	-	7,238
Total Liabilities	<u>1,490</u>	<u>37,734</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,224</u>
Fund balances:							
Restricted:							
Capital projects	-	684,221	-	-	-	-	684,221
Debt service	-	-	-	-	376,328	45,691	422,019
Health and welfare	783,719	-	-	-	-	-	783,719
Parks and recreation	-	177,166	-	-	-	-	177,166
Assigned:							
Capital projects	-	-	54,929	113,685	-	-	168,614
Total fund balances	<u>783,719</u>	<u>861,387</u>	<u>54,929</u>	<u>113,685</u>	<u>376,328</u>	<u>45,691</u>	<u>2,235,739</u>
Total liabilities and fund balances	<u>785,209</u>	<u>899,121</u>	<u>54,929</u>	<u>113,685</u>	<u>376,328</u>	<u>45,691</u>	<u>2,274,963</u>

CITY OF SUGAR CREEK, MISSOURI
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
Year Ended September 30, 2012

	Special Revenue Funds		Capital Projects Funds		Debt Service Funds		Totals
	Public Health	Combined Sales Tax Funds	Capital Improvement	Revolving Improvement	Certificates of Participation	TIF Fund	
Revenues:							
Taxes	\$ 69,761	\$ 310,039	\$ -	\$ -	\$ -	\$ 118,993	\$ 498,793
Intergovernmental	-	-	-	-	-	29,400	29,400
Interest	2,805	977	30	250	299	67	4,428
	<u>72,566</u>	<u>311,016</u>	<u>30</u>	<u>250</u>	<u>299</u>	<u>148,460</u>	<u>532,621</u>
Expenditures:							
Current:							
General administration	1,137	15,907	-	-	253	484	17,781
Streets and public works	-	406,768	-	-	-	-	406,768
Health and welfare	22,257	-	-	-	-	-	22,257
Parks and recreation	-	263,187	-	-	-	-	263,187
Debt service:							
Principal	-	-	-	-	55,000	63,797	118,797
Interest and fiscal charges	-	1,069	-	-	143,281	108,236	252,586
	<u>23,394</u>	<u>686,931</u>	<u>-</u>	<u>-</u>	<u>198,534</u>	<u>172,517</u>	<u>1,081,376</u>
Excess of Revenues Over (Under) Expenditures	49,172	(375,915)	30	250	(198,235)	(24,057)	(548,755)
Other financing sources (uses):							
Transfers in	-	180,000	-	-	196,794	-	376,794
Transfers out	(32,512)	-	-	-	(25,426)	-	(57,938)
Loan proceeds	-	107,984	-	-	-	-	107,984
Total Other Financing Sources (Uses)	<u>(32,512)</u>	<u>287,984</u>	<u>-</u>	<u>-</u>	<u>171,368</u>	<u>-</u>	<u>426,840</u>
Change in fund balance	16,660	(87,931)	30	250	(26,867)	(24,057)	(121,915)
Fund Balances, Beginning of Year	<u>767,059</u>	<u>949,318</u>	<u>54,899</u>	<u>113,435</u>	<u>403,195</u>	<u>69,748</u>	<u>2,357,654</u>
Fund Balances, End of Year	<u>\$ 783,719</u>	<u>\$ 861,387</u>	<u>\$ 54,929</u>	<u>\$ 113,685</u>	<u>\$ 376,328</u>	<u>\$ 45,691</u>	<u>\$ 2,235,739</u>

CITY OF SUGAR CREEK, MISSOURI
Combining Balance Sheet - Non-major Sales Tax Funds
September 30, 2012

	Capital Improvement Sales Tax	Parks and Recreation Sales Tax	Stormwater Sales Tax	Totals
Assets				
Pooled cash and investments	\$ 261,184	\$ 182,200	\$ 353,942	\$ 797,326
Receivables:				
Taxes	22,825	11,412	11,413	45,650
Accrued interest	3	1	270	274
Due from other governments	55,871	-	-	55,871
Total Assets	\$ 339,883	\$ 193,613	\$ 365,625	\$ 899,121
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ 14,638	\$ 15,858	\$ 30,496
Due to other funds	3,620	1,809	1,809	7,238
Total Liabilities	3,620	16,447	17,667	37,734
Fund balances:				
Restricted:				
Capital projects	336,263	-	347,958	684,221
Parks and recreation	-	177,166	-	177,166
Total fund balances	336,263	177,166	347,958	861,387
Total liabilities and fund balances	\$ 339,883	\$ 193,613	\$ 365,625	\$ 899,121

CITY OF SUGAR CREEK, MISSOURI
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Sales Tax Funds
Year Ended September 30, 2012

	Capital Improvement Sales Tax	Parks and Recreation Sales Tax	Stormwater Sales Tax	Totals
Revenues:				
Taxes	\$ 155,019	\$ 77,510	\$ 77,510	\$ 310,039
Interest	274	173	530	977
	<u>155,293</u>	<u>77,683</u>	<u>78,040</u>	<u>311,016</u>
Expenditures:				
Current:				
General administration	-	-	15,907	15,907
Streets and public works	406,768	-	-	406,768
Parks and recreation	-	263,187	-	263,187
Interest and fiscal charges	1,069	-	-	1,069
	<u>407,837</u>	<u>263,187</u>	<u>15,907</u>	<u>686,931</u>
Excess of Revenues Over (Under) Expenditures	(252,544)	(185,504)	62,133	(375,915)
Other financing sources (uses):				
Transfers in	-	180,000	-	180,000
Loan proceeds	107,984	-	-	107,984
Total Other Financing Sources	<u>107,984</u>	<u>180,000</u>	<u>-</u>	<u>287,984</u>
Change in fund balance	(144,560)	(5,504)	62,133	(87,931)
Fund Balances, Beginning of Year	<u>480,823</u>	<u>182,670</u>	<u>285,825</u>	<u>949,318</u>
Fund Balances, End of Year	<u>\$ 336,263</u>	<u>\$ 177,166</u>	<u>\$ 347,958</u>	<u>\$ 861,387</u>

CITY OF SUGAR CREEK, MISSOURI
Public Health Fund

**Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended September 30, 2012**

	2012		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Taxes	\$ 72,115	\$ 72,115	\$ 69,761	\$ (2,354)
Interest	1,700	3,700	2,805	(895)
Total Revenues	<u>73,815</u>	<u>75,815</u>	<u>72,566</u>	<u>(3,249)</u>
Expenditures:				
General administration	1,375	1,375	1,137	238
Health and welfare	70,500	70,500	22,257	48,243
Total Expenditures	<u>71,875</u>	<u>71,875</u>	<u>23,394</u>	<u>48,481</u>
Excess of Revenues Over Expenditures	1,940	3,940	49,172	45,232
Other financing (uses):				
Transfers out	-	-	(32,512)	(32,512)
Change in fund balance	<u>\$ 1,940</u>	<u>\$ 3,940</u>	16,660	<u>\$ 12,720</u>
Fund Balance, Beginning of Year			<u>767,059</u>	
Fund Balance, End of Year			<u>\$ 783,719</u>	

CITY OF SUGAR CREEK, MISSOURI
Capital Improvement Sales Tax Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended September 30, 2012

	2012		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Taxes	\$ 142,000	\$ 154,000	\$ 155,019	\$ 1,019
Interest	50	50	274	224
Total Revenues	<u>142,050</u>	<u>154,050</u>	<u>155,293</u>	<u>1,243</u>
Expenditures:				
Streets and public works	145,050	421,050	406,768	14,282
Interest and fiscal charges	-	-	1,069	(1,069)
Total Expenditures	<u>145,050</u>	<u>421,050</u>	<u>407,837</u>	<u>13,213</u>
Excess of Revenues Over (Under) Expenditures	(3,000)	(267,000)	(252,544)	14,456
Other financing (uses):				
Transfers out	(135,000)	(135,000)	-	135,000
Loan Proceeds	-	60,000	107,984	47,984
	<u>(135,000)</u>	<u>(75,000)</u>	<u>107,984</u>	<u>182,984</u>
Change in fund balance	<u>\$ (138,000)</u>	<u>\$ (402,000)</u>	(144,560)	<u>\$ 197,440</u>
Fund Balance, Beginning of Year			<u>480,823</u>	
Fund Balance, End of Year			<u>\$ 336,263</u>	

CITY OF SUGAR CREEK, MISSOURI
Parks and Recreation Sales Tax
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended September 30, 2012

	2012		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Taxes	\$ 71,270	\$ 81,270	\$ 77,510	\$ (3,760)
Interest	50	50	173	123
Total Revenues	<u>71,320</u>	<u>81,320</u>	<u>77,683</u>	<u>(3,637)</u>
Expenditures:				
Parks and recreation	343,200	343,200	263,187	80,013
Total Expenditures	<u>343,200</u>	<u>343,200</u>	<u>263,187</u>	<u>80,013</u>
Excess of Revenues Over (Under) Expenditures	<u>(271,880)</u>	<u>(261,880)</u>	<u>(185,504)</u>	<u>76,376</u>
Other Financing Sources (Uses):				
Transfers in	60,000	180,000	180,000	-
Transfers out	67,500	67,500	-	(67,500)
Total Other Financing Sources (Uses)	<u>127,500</u>	<u>247,500</u>	<u>180,000</u>	<u>(67,500)</u>
Change in fund balance	<u>\$ (144,380)</u>	<u>\$ (14,380)</u>	(5,504)	<u>\$ 8,876</u>
Fund Balance, Beginning of Year			<u>182,670</u>	
Fund Balance, End of Year			<u>\$ 177,166</u>	

CITY OF SUGAR CREEK, MISSOURI
Stormwater Sales Tax
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended September 30, 2012

	2012		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Taxes	\$ 71,270	\$ 78,270	\$ 77,510	\$ (760)
Interest	550	550	530	(20)
Total Revenues	<u>71,820</u>	<u>78,820</u>	<u>78,040</u>	<u>(780)</u>
Expenditures:				
General administration	<u>20,040</u>	<u>20,040</u>	<u>15,907</u>	<u>4,133</u>
Excess of Revenues Over Expenditures	<u>51,780</u>	<u>58,780</u>	<u>62,133</u>	<u>3,353</u>
Other Financing Sources (Uses):				
Transfers out	<u>(67,500)</u>	<u>(67,500)</u>	-	<u>67,500</u>
Total Other Financing Sources (Uses)	<u>(67,500)</u>	<u>(67,500)</u>	-	<u>67,500</u>
Change in fund balance	<u>\$ (15,720)</u>	<u>\$ (8,720)</u>	62,133	<u>\$ 70,853</u>
Fund Balance, Beginning of Year			<u>285,825</u>	
Fund Balance, End of Year			<u>\$ 347,958</u>	

CITY OF SUGAR CREEK, MISSOURI
Capital Improvement Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended September 30, 2012

	2012		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Interest	\$ -	\$ 100	\$ 30	\$ (70)
Total Revenues	<u>-</u>	<u>100</u>	<u>30</u>	<u>(70)</u>
Expenditures:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	<u>\$ -</u>	<u>\$ 100</u>	30	<u>\$ (70)</u>
Fund Balance, Beginning of Year			<u>54,899</u>	
Fund Balance, End of Year			<u>\$ 54,929</u>	

CITY OF SUGAR CREEK, MISSOURI
Revolving Improvement Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended September 30, 2012

	2012		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Interest	\$ 300	\$ 300	\$ 250	\$ (50)
Total Revenues	<u>300</u>	<u>300</u>	<u>250</u>	<u>(50)</u>
Expenditures:				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>\$ 300</u>	<u>\$ 300</u>	250	<u>\$ (50)</u>
Fund Balance, Beginning of Year			<u>113,435</u>	
Fund Balance, End of Year			<u>\$ 113,685</u>	

CITY OF SUGAR CREEK, MISSOURI
Certificates of Participation Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended September 30, 2012

	2012		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Interest	\$ -	\$ -	\$ 299	\$ 299
Total Revenues	<u>-</u>	<u>-</u>	<u>299</u>	<u>299</u>
Expenditures:				
General administration	600	600	253	347
Debt service	195,531	195,531	198,281	(2,750)
Total Expenditures	<u>196,131</u>	<u>196,131</u>	<u>198,534</u>	<u>(2,403)</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (196,131)</u>	<u>\$ (196,131)</u>	<u>(198,235)</u>	<u>\$ (2,104)</u>
Other Financing Sources (Uses):				
Transfers in	195,531	198,531	196,794	(1,737)
Transfers out	-	(140,000)	(25,426)	114,574
Total Other Financing Sources (Uses)	<u>195,531</u>	<u>58,531</u>	<u>171,368</u>	<u>112,837</u>
Change in fund balance	<u>\$ (600)</u>	<u>\$ (137,600)</u>	<u>(26,867)</u>	<u>\$ 110,733</u>
Fund Balance, Beginning of Year			<u>403,195</u>	
Fund Balance, End of Year			<u>\$ 376,328</u>	

CITY OF SUGAR CREEK, MISSOURI
TIF Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended September 30, 2012

	2012		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Taxes	\$ 86,578	\$ 106,578	\$ 118,993	\$ 12,415
Intergovernmental	17,000	17,000	29,400	12,400
Interest	150	150	67	(83)
Total Revenues	<u>103,728</u>	<u>123,728</u>	<u>148,460</u>	<u>24,732</u>
Expenditures:				
General government	600	600	484	116
Debt service	<u>125,000</u>	<u>172,000</u>	<u>172,033</u>	<u>(33)</u>
Total Expenditures	<u>125,600</u>	<u>172,600</u>	<u>172,517</u>	<u>83</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (21,872)</u>	<u>\$ (48,872)</u>	(24,057)	<u>\$ 24,815</u>
Fund Balance, Beginning of Year			<u>69,748</u>	
Fund Balance, End of Year			<u>\$ 45,691</u>	

CITY OF SUGAR CREEK, MISSOURI
Heritage Ridge Development Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended September 30, 2012

	2012		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:	\$ -	\$ -	\$ 10	\$ 10
Expenditures:				
Economic development	303,599	303,599	47,368	256,231
Interest and fiscal charges	-	-	112,472	(112,472)
Total Expenditures	<u>303,599</u>	<u>303,599</u>	<u>159,840</u>	<u>143,759</u>
Excess of Revenues Over (Under) Expenditures	<u>(303,599)</u>	<u>(303,599)</u>	<u>(159,830)</u>	<u>(143,769)</u>
Other Financing Sources (Uses):				
Transfers in	303,599	303,599	115,017	(188,582)
Transfers out	-	-	(293)	(293)
Total Other Financing Sources (Uses)	<u>303,599</u>	<u>303,599</u>	<u>114,724</u>	<u>(188,875)</u>
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(45,106)	<u>\$ 45,106</u>
Fund Balance, Beginning of Year			<u>990,271</u>	
Fund Balance, End of Year			<u>\$ 945,165</u>	

(This page has been intentionally left blank)

STATISTICAL SECTION ***(Unaudited)***

The statistical data "relate to the physical, economic, social, and political characteristics of the City." Its design is to provide "a broader and more complete understanding of the City and its financial affairs than is possible from the financial statements, notes, and supporting schedules presented in the Financial Section

STATISTICAL SECTION

This part of the City of Sugar Creek's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Tables</u>
Financial Trends	1 - 4
These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	5 - 10
These tables contain information to help the reader assess the City's most significant local revenue sources, franchise taxes and property taxes .	
Debt Capacity	11 - 12
These tables 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	
Demographic and Economic Information	13 - 14
These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	15 - 17
These tables 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.	

Sources: Unless otherwise noted, the information in these tables are derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2004; schedules presenting government-wide information include information beginning in that year.

City of Sugar Creek
Net Assets by Component
Last Nine Fiscal Years
(accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities									
Invested in capital assets	\$ 4,931,451	4,819,322	4,683,107	4,778,611	7,959,443	7,110,615	7,652,024	7,183,512	7,973,473
Restricted	12,680,228	12,658,780	12,811,432	12,962,934	4,083,654	3,999,319	4,308,600	4,547,389	3,846,762
Unrestricted	1,353,232	1,023,244	1,080,320	1,943,643	3,433,674	1,928,854	(580,644)	(473,272)	(759,440)
Total governmental activities net assets	\$ <u>18,964,911</u>	<u>18,501,346</u>	<u>18,574,859</u>	<u>19,685,188</u>	<u>15,476,771</u>	<u>13,038,788</u>	<u>11,379,980</u>	<u>11,257,629</u>	<u>11,060,795</u>
Business-type activities	\$								
Invested in capital assets	762,858	870,422	892,075	953,464	947,501	904,596	1,103,752	1,048,026	1,044,329
Unrestricted	942,986	979,691	961,389	833,604	798,688	824,090	875,001	878,480	829,520
Total business-type activities net assets	\$ <u>1,705,844</u>	<u>1,850,113</u>	<u>1,853,464</u>	<u>1,787,068</u>	<u>1,746,189</u>	<u>1,728,686</u>	<u>1,978,753</u>	<u>1,926,506</u>	<u>1,873,849</u>
Primary government									
Invested in capital assets	\$ 5,694,309	5,689,744	5,575,182	5,732,075	8,906,944	8,015,211	8,755,776	8,231,538	9,017,802
Restricted	12,680,228	12,658,780	12,811,432	12,962,934	4,083,654	3,999,319	4,308,600	4,547,389	3,846,762
Unrestricted	2,296,218	2,002,935	2,041,709	2,777,247	4,232,362	2,752,944	294,357	405,208	70,080
Total primary government net assets	\$ <u>20,670,755</u>	<u>20,351,459</u>	<u>20,428,323</u>	<u>21,472,256</u>	<u>17,222,960</u>	<u>14,767,474</u>	<u>13,358,733</u>	<u>13,184,135</u>	<u>12,934,644</u>

Note: GASB 34 was implemented in the 2004 fiscal year, so only nine fiscal years are shown.

City of Sugar Creek
Changes in Net Assets
Last Nine Fiscal Years
(accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses									
Governmental activities:									
General Administration	\$ 1,032,150	1,353,415	1,137,432	1,197,212	1,361,541	1,350,687	1,284,854	1,292,777	1,367,474
Public safety	1,514,973	1,607,577	1,587,582	1,646,199	1,729,300	1,014,227	1,988,248	2,104,012	2,152,945
Public works	2,961,823	1,134,927	946,350	899,069	1,192,799	1,164,936	2,549,047	1,554,873	2,040,323
Health and welfare	2,508	17,866	1,367	23,939	12,504	6,774	1,100	40,129	1,242
Parks & Recreation	393,254	234,737	272,588	298,354	359,177	345,374	261,170	325,393	269,815
Community development	2,307,546	267,851	243,450	345,501	5,303,205	3,077,439	35,849	361,812	67,768
Interest on long-term debt	86,210	100,184	176,859	138,779	126,575	106,906	265,869	249,250	343,780
Total governmental activities expenses	<u>8,298,464</u>	<u>4,716,557</u>	<u>4,365,628</u>	<u>4,549,053</u>	<u>10,085,101</u>	<u>7,066,343</u>	<u>6,386,137</u>	<u>5,928,246</u>	<u>6,243,347</u>
Business-type activities:									
Water	182,568	224,144	195,438	213,808	216,054	192,704	194,390	190,949	216,015
Sewer	469,931	522,023	508,135	527,598	539,833	558,313	595,176	696,236	750,208
Sanitation	192,847	199,262	210,783	206,987	207,788	206,746	211,824	220,006	242,657
Total business-type activities expenses	<u>845,346</u>	<u>945,429</u>	<u>914,356</u>	<u>948,393</u>	<u>963,675</u>	<u>957,763</u>	<u>1,001,390</u>	<u>1,107,191</u>	<u>1,208,880</u>
Total primary government expenses	<u>\$ 9,143,810</u>	<u>5,661,986</u>	<u>5,279,984</u>	<u>5,497,446</u>	<u>11,048,776</u>	<u>8,024,106</u>	<u>7,387,527</u>	<u>7,035,437</u>	<u>7,452,227</u>
Program Revenues									
Governmental activities:									
Charges for services:									
General Administration	\$ 112,170	136,091	128,730	184,341	170,141	131,274	149,805	177,441	177,087
Public safety	106,404	117,759	170,845	236,037	161,940	150,986	179,980	201,944	296,195
Public works	2,088	6,980	2,318	1,079	179	282	75	125	249
Parks & Recreation	11,961	8,181	8,214	34,534	13,900	29,855	18,534	54,361	44,453
Operating grants and contributions	7,730	3,200	15,361	3,288	5,819	91,923	130,988	61,554	65,351
Capital grants and contributions	35,625	53,883	14,006	-	219,955	29,352	2,306,471	815,967	988,369
Total governmental activities program revenues	<u>275,978</u>	<u>326,094</u>	<u>339,474</u>	<u>459,279</u>	<u>571,934</u>	<u>433,672</u>	<u>2,785,853</u>	<u>1,311,392</u>	<u>1,571,704</u>
Business-type activities:									
Charges for services:									
Water	159,866	159,858	159,464	159,554	157,638	200,272	239,175	245,798	265,498
Sewer	419,997	422,131	430,539	440,488	488,509	490,421	524,723	581,907	608,874
Sanitation	162,642	163,370	218,308	227,594	230,345	221,868	224,578	215,052	221,740
Capital grants and contributions	-	255,922	26,212	-	-	-	-	-	-
Total business-type activities program revenues	<u>742,505</u>	<u>1,001,281</u>	<u>834,523</u>	<u>827,636</u>	<u>876,492</u>	<u>912,561</u>	<u>988,476</u>	<u>1,042,757</u>	<u>1,096,112</u>
Total primary government program revenue:	<u>\$ 1,018,483</u>	<u>1,327,375</u>	<u>1,173,997</u>	<u>1,286,915</u>	<u>1,448,426</u>	<u>1,346,233</u>	<u>3,774,329</u>	<u>2,354,149</u>	<u>2,667,816</u>
Net (expense)/revenue									
Governmental activities	\$ (8,022,486)	(4,390,463)	(4,026,154)	(4,089,774)	(9,513,167)	(6,632,671)	(3,600,284)	(4,616,854)	(4,671,643)
Business-type activities	(102,841)	55,852	(79,833)	(120,757)	(87,183)	(45,202)	(12,914)	(64,434)	(112,768)
Total primary government net expense	<u>\$ (8,125,327)</u>	<u>(4,334,611)</u>	<u>(4,105,987)</u>	<u>(4,210,531)</u>	<u>(9,600,350)</u>	<u>(6,677,873)</u>	<u>(3,613,198)</u>	<u>(4,681,288)</u>	<u>(4,784,411)</u>
General Revenues and Other Changes in Net Assets									
Governmental activities:									
Taxes									
Property taxes	\$ 507,639	593,248	609,544	627,680	640,137	644,084	636,343	646,534	632,432
Sales and use taxes	505,236	794,998	880,323	1,016,163	754,035	625,473	721,092	662,596	705,667
Gross Receipts Tax	643,264	699,623	633,152	880,986	1,083,598	942,316	909,744	913,107	1,043,078
Franchise taxes	1,127,351	1,157,054	1,196,464	1,265,227	1,458,309	1,378,238	1,446,007	1,454,033	1,454,453
Other taxes	97,861	85,785	58,492	70,844	54,343	44,304	54,962	51,316	46,759
Intergovernmental	303,718	-	-	-	-	-	-	-	-
Unrestricted grants and contributions	-	326,585	241,966	454,914	210,094	301,809	187,696	220,296	197,644
Investment earnings	139,264	202,736	381,885	496,824	316,752	72,965	32,386	28,844	19,917
Miscellaneous	154,392	30,474	30,848	74,272	198,128	29,897	63,806	105,632	70,727
Contractual agreements	101,036	72,051	66,993	313,193	445,970	155,602	141,942	199,829	357,659
Special Item -Legal settlement	2,834,046	-	-	-	-	-	-	-	-
Special Item - Sugarland	-	-	-	-	-	-	(2,005,696)	-	-
Gain on Sale of Capital Assets	-	-	-	-	143,384	-	-	-	-
Transfers	-	(35,656)	-	-	-	-	(246,806)	(1,100)	(53,527)
Total governmental activities	<u>6,413,807</u>	<u>3,926,898</u>	<u>4,099,667</u>	<u>5,200,103</u>	<u>5,304,750</u>	<u>4,194,688</u>	<u>1,941,476</u>	<u>4,281,087</u>	<u>4,474,809</u>
Business-type activities:									
Investment earnings	24,598	52,761	83,184	54,361	46,304	27,699	16,175	11,085	6,584
Transfers	-	35,656	-	-	-	-	246,806	1,100	53,527
Total business-type activities	<u>24,598</u>	<u>88,417</u>	<u>83,184</u>	<u>54,361</u>	<u>46,304</u>	<u>27,699</u>	<u>262,981</u>	<u>12,185</u>	<u>60,111</u>
Total primary government	<u>\$ 6,438,405</u>	<u>4,015,315</u>	<u>4,182,851</u>	<u>5,254,464</u>	<u>5,351,054</u>	<u>4,222,387</u>	<u>2,204,457</u>	<u>4,293,272</u>	<u>4,534,920</u>
Changes in Net Assets									
Governmental activities	\$ (1,608,679)	(463,565)	73,513	1,110,329	(4,208,417)	(2,437,983)	(1,658,808)	(335,767)	(196,834)
Business-type activities	(78,243)	144,269	3,351	(66,396)	(40,879)	(17,503)	250,067	(52,249)	(52,657)
Total primary government	<u>\$ (1,686,922)</u>	<u>(319,296)</u>	<u>76,864</u>	<u>1,043,933</u>	<u>(4,249,296)</u>	<u>(2,455,486)</u>	<u>(1,408,741)</u>	<u>(388,016)</u>	<u>(249,491)</u>

Note: GASB 34 was implemented in the 2004 fiscal year, so only nine fiscal years are shown.

Table 3

City of Sugar Creek
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011**	2012**
General Fund										
Reserved	\$ 669,783	665,230	426,373	319,906	299,883	312,446	692,683	195,963	-	-
Unreserved	1,766,536	2,337,351	2,251,582	2,133,459	2,307,597	3,037,873	2,372,443	2,739,450	-	-
Nonspendable	-	-	-	-	-	-	-	-	201,592	211,070
Restricted	-	-	-	-	-	-	-	-	180,000	60,000
Assigned	-	-	-	-	-	-	-	-	100,000	150,000
Unassigned	-	-	-	-	-	-	-	-	2,339,691	2,139,475
Total General Fund	\$ <u>2,436,319</u>	<u>3,002,581</u>	<u>2,677,955</u>	<u>2,453,365</u>	<u>2,607,480</u>	<u>3,350,319</u>	<u>3,065,126</u>	<u>2,935,413</u>	<u>2,821,283</u>	<u>2,560,545</u>
All other governmental funds										
Reserved	\$ 2,164,639	4,551,131	5,728,146	6,692,071	6,349,872	1,287,156	1,817,946	2,025,588	-	-
Unreserved, reported in:										
Special revenue funds	450,071	545,573	533,127	954,723	1,552,008	1,925,803	1,309,939	3,439,365	-	-
Capital project funds	466,067	162,198	207,527	277,890	360,537	394,875	401,434	(237,211)	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	4,080,714	3,669,465
Committed	-	-	-	-	-	-	-	-	490,271	445,165
Assigned	-	-	-	-	-	-	-	-	168,334	168,614
Unassigned	-	-	-	-	-	-	-	-	(349,797)	-
Total all other governmental funds	\$ <u>3,080,777</u>	<u>5,258,902</u>	<u>6,468,800</u>	<u>7,924,684</u>	<u>8,262,417</u>	<u>3,607,834</u>	<u>3,529,319</u>	<u>5,227,742</u>	<u>4,389,522</u>	<u>4,283,244</u>

** Note: GASB 54 was implemented in the 2011 fiscal year, which has new categories.

City of Sugar Creek
 Changes in Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Taxes	\$ 2,473,092	2,821,255	3,287,277	3,376,463	3,806,557	4,103,935	3,549,574	3,844,537	3,746,696	3,880,519
Intergovernmental	486,181	339,343	334,022	265,826	434,397	191,868	329,062	2,591,214	462,667	1,687,145
Licenses, fees and permits	94,213	80,498	106,381	91,943	136,980	124,480	88,798	101,231	101,955	101,712
Rentals	53,812	43,792	44,871	45,704	63,328	51,896	51,643	52,564	81,226	79,745
Fines, forfeitures, and court costs	100,140	106,404	117,759	167,608	231,584	161,070	144,233	163,740	184,034	272,510
Payment in lieu of taxes	21,625	22,213	46,446	37	23,806	24,040	24,280	25,008	25,759	26,439
Special Assessments	2,548	-	2,480	3,694	3,466	355	4,111	-	3,722	-
Contractual agreements	2,961,000	2,246,036	1,207,051	1,196,993	113,193	3,935,970	255,603	2,401,942	199,829	499,669
Interest	103,768	139,264	202,736	381,885	496,824	316,755	72,965	32,386	28,843	19,915
Charges for services	4,020	1,929	-	4,852	24,098	8,715	27,723	30,858	66,656	64,018
Reimbursements	101,255	18,765	-	-	-	-	-	-	-	-
Donations	1,000	7,730	3,200	5,470	-	-	-	-	-	-
Miscellaneous	26,226	152,127	30,474	33,640	74,272	197,773	29,827	63,806	109,411	88,227
Total revenues	6,428,880	5,979,356	5,382,697	5,574,115	5,408,505	9,116,857	4,577,819	9,307,286	5,010,798	6,719,899
Expenditures										
General government	1,494,262	1,012,335	1,321,292	1,131,548	1,262,426	1,373,739	1,365,650	1,246,177	1,272,064	1,494,975
Public safety	1,176,177	1,464,261	1,601,983	1,552,944	1,626,709	5,082,303	1,751,866	1,830,692	1,893,517	1,975,570
Streets and Public works	681,779	2,939,033	1,007,843	810,910	763,297	1,033,326	1,352,124	3,487,082	1,676,529	2,580,806
Community development	150,200	270,698	267,851	243,450	607,364	5,303,205	2,482,971	366,485	442,034	67,768
Health and welfare	54,623	2,508	17,866	1,367	23,939	12,504	6,774	1,100	40,129	22,257
Parks and recreation	357,674	380,180	244,934	272,602	282,922	348,407	346,720	288,233	332,562	537,156
Debt Service										
Principal	-	-	-	17,737	188,292	150,822	58,574	100,975	55,000	118,797
Interest	-	-	-	312,263	161,708	105,178	191,286	269,623	250,213	365,058
Total expenditures	3,914,715	6,069,015	4,461,769	4,342,821	4,916,657	13,409,484	7,555,965	7,590,367	5,962,048	7,162,387
Excess of revenues over (under) expenditures	2,514,165	(89,659)	920,928	1,231,294	491,848	(4,292,627)	(2,978,146)	1,716,919	(951,250)	(442,488)
Other Financing Sources (Uses)										
Legal Settlement	-	2,834,046	-	-	-	-	-	98,597	-	-
Sale of Capital Assets	-	-	-	-	-	380,883	-	-	-	-
Transfers in	-	-	150,500	47,779	368,474	8,356,188	2,749,812	1,126,408	1,579,260	766,530
Transfers out	-	-	(186,156)	(47,779)	(368,474)	(8,356,188)	(2,749,812)	(1,373,214)	(1,580,360)	(799,042)
Issuance of Certificates of Participation	-	-	-	-	-	-	2,690,000	-	-	-
Original Issue Discount	-	-	-	-	-	-	(75,562)	-	-	107,984
Total other financing sources (uses)	-	2,834,046	(35,656)	-	-	380,883	2,614,438	(148,209)	(1,100)	75,472
Net change in fund balances	\$ 2,514,165	2,744,387	885,272	1,231,294	491,848	(3,911,744)	(363,708)	1,568,710	(952,350)	(367,016)
Debt service as a percentage of non capital expenditures	0.00%	0.00%	0.00%	7.85%	7.72%	2.63%	4.05%	5.82%	5.47%	8.22%

Table 5

City of Sugar Creek
 General Governmental Tax Revenues by Source
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

<u>Fiscal Year</u>	<u>Franchise Tax</u>	<u>Gross Receipts Tax</u>	<u>Property Tax</u>	<u>City Sales Tax</u>	<u>Other Taxes</u>	<u>Total</u>
2003	\$ 1,021,333	\$ 692,851	\$ 480,039	\$ 226,292	\$ 52,577	\$ 2,473,092
2004	1,089,468	643,264	507,639	505,236	75,648	2,821,255
2005	1,134,322	678,924	593,248	794,998	85,785	3,287,277
2006	1,171,054	653,851	593,242	908,766	49,550	3,376,463
2007	1,210,885	880,986	627,679	1,016,163	70,844	3,806,557
2008	1,571,821	1,083,598	640,137	754,035	54,344	4,103,935
2009	1,293,395	942,316	644,084	625,473	44,304	3,549,572
2010	1,522,395	909,744	636,343	721,092	54,962	3,844,536
2011	1,470,299	915,950	646,534	662,596	51,317	3,746,696
2012	1,454,453	1,041,209	632,432	705,666	46,759	3,880,519

City of Sugar Creek
Franchise Tax by Receipt Type
Last Ten Fiscal Years

Receipts by Tax Type	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Electrical	\$ 775,983	\$ 848,334	\$ 874,650	\$ 909,204	\$ 950,601	\$ 974,684	\$ 883,949	\$ 1,056,133	\$ 1,083,212	\$ 1,139,968
Gas	148,336	174,751	177,176	181,380	174,982	185,175	178,556	163,293	174,357	125,049
Telephone	80,470	49,885	66,620	64,944	66,984	394,975	213,536	287,046	196,435	172,747
Cable	16,544	16,498	15,876	15,526	18,318	16,987	17,354	15,923	16,295	16,689
Total	<u>\$ 1,021,333</u>	<u>\$ 1,089,468</u>	<u>\$ 1,134,322</u>	<u>\$ 1,171,054</u>	<u>\$ 1,210,885</u>	<u>\$ 1,571,821</u>	<u>\$ 1,293,395</u>	<u>\$ 1,522,395</u>	<u>\$ 1,470,299</u>	<u>\$ 1,454,453</u>

Source- City Revenue Reports

Table 7

City of Sugar Creek
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended September 30	Tax Year	Real Property				Other Property		Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Market Value	Assessed Value as a Percentage of Actual Value
		Residential Property	Agricultural Property	Commercial Property	Total	Personal Property	Railroads & Utilities				
2003	2002	\$ 15,535,165	\$ 60,510	\$ 13,887,802	\$ 29,483,477	\$ 12,567,192	\$ 1,851,345	\$ 43,902,014	1.0923	\$ 169,192,426	25.95%
2004	2003	17,693,744	97,272	14,935,270	32,726,286	11,977,160	2,127,890	46,831,336	1.0685	183,225,391	25.56%
2005	2004	17,768,153	96,173	14,870,796	32,735,122	11,920,735	2,319,148	46,975,005	1.0685	183,834,614	25.55%
2006	2005	19,088,550	100,795	15,819,337	35,008,682	11,099,688	2,386,293	48,494,663	1.0685	191,531,001	25.32%
2007	2006	19,183,709	99,322	16,202,100	35,485,131	11,205,900	2,485,239	49,176,270	1.0685	193,843,859	25.37%
2008	2007	19,666,628	105,073	16,792,213	36,563,914	11,848,150	2,505,281	50,917,345	1.0610	200,268,876	25.42%
2009	2008	19,456,454	105,133	16,473,897	36,035,484	10,740,398	2,742,896	49,518,778	1.0596	195,584,423	25.32%
2010	2009	18,156,818	105,152	15,983,411	34,245,381	10,001,787	2,238,096	46,485,264	1.0596	183,416,072	25.34%
2011	2010	18,090,075	105,160	16,057,309	34,252,544	10,454,126	2,690,221	47,396,891	1.0464	186,067,057	25.47%
2012	2011	18,290,560	95,574	14,565,693	32,951,827	10,321,511	3,078,696	46,352,034	1.0461	183,196,799	25.30%

Note: The assessed value is set at 19% for residential property; 12% for agricultural property; and 32% for commercial property of the estimated fair market value.

Source: Jackson County Assessor's Office

City of Sugar Creek
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years
(rate per \$100 assessed value)

Fiscal Year	Tax Year	City Direct Rates (1)			Overlapping Rates (2)				Total Direct & Overlapping Rates
		Basic/General Rate	Public Health	Total Direct	Fort Osage School District	Independence School District	Jackson County	State	
2003	2002	\$ 0.962	\$ 0.130	\$ 1.092	\$ 4.359	\$ 5.190	\$ 1.1067	\$ 0.030	\$ 11.778
2004	2003	0.941	0.127	1.069	4.359	5.190	1.1067	0.030	11.754
2005	2004	0.941	0.127	1.069	4.959	5.190	1.1067	0.030	12.354
2006	2005	0.941	0.127	1.069	4.959	5.190	1.0598	0.030	12.307
2007	2006	0.941	0.127	1.069	4.912	5.084	1.0523	0.030	12.147
2008	2007	0.941	0.127	1.069	4.910	5.084	1.0610	0.030	12.153
2009	2008	0.970	0.130	1.100	5.381	5.280	1.0596	0.030	12.851
2010	2009	1.000	0.130	1.130	5.381	5.430	1.0596	0.030	13.031
2011	2010	1.000	0.130	1.130	5.500	5.580	1.0464	0.030	13.286
2012	2011	1.000	0.130	1.130	5.500	5.670	1.0461	0.030	13.376

Notes: 1 The General Fund and Public Health Fund levy rates are limited by Missouri Statutes to \$1.00 and \$.13 per \$100.00

2 County Tax Breakdown for Current Year:

Health & Welfare Fund	0.1526
General Fund	0.1481
Road & Bridge Fund	0.1391
Park Fund	0.0897
Mid-Continent Public Library	0.3200
Handicap	0.0748
Mental Health	0.1218
Total County	1.0461

Note:

Taxes are due November 1, delinquent after December 31. A penalty of 1% per month, up to a maximum of 10% is added for each month of delinquency. Collections are enforced through the attachment and sale of the property.

Table 9

City of Sugar Creek
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2012			2003		
	Total Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Total Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Woodmen of the World Life	\$ 5,341,465	1	11.52%	\$ 5,605,286	2	12.77%
BP Products Co	3,892,843	2	8.40%	5,859,826	1	13.35%
Kansas City Power & Light	3,057,441	3	6.60%	1,683,243	3	3.83%
Courtney Ridge Landfill	1,891,367	4	4.08%	1,506,434	4	3.43%
Lafarge Corporation	1,676,523	5	3.62%	1,141,740	5	2.60%
Buckeye Tank Terminals	1,068,674	6	2.31%			
APAC Kansas	819,323	7	1.77%	947,385	7	2.16%
Davidson Trustee	526,804	8	1.14%	692,008	9	1.58%
Waste Management of MO. Inc	274,487	9	0.59%			
Wilson Machinery	239,250	10	0.52%			
Rocca Processing				994,204	6	2.26%
Limpus Quarries				839,814	8	1.91%
Damon Pursell Construction				412,092	10	0.94%
Total	\$ <u>18,788,177</u>		<u>40.53%</u>	\$ <u>19,682,032</u>		<u>44.83%</u>

Source: Jackson County Collection Department

Table 10

City of Sugar Creek
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended September 30, 2012	Taxes Levied for Fiscal Year	Collected within Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	\$ 470,052	\$ 449,429	95.61%	\$ 18,144	\$ 467,573	99.47%
2004	488,340	452,085	92.58%	33,316	485,401	99.40%
2005	501,923	453,223	90.30%	41,212	494,435	98.51%
2006	502,516	461,075	91.75%	33,440	494,516	98.41%
2007	537,512	516,670	96.12%	16,076	532,746	99.11%
2008	528,766	474,278	89.70%	40,222	514,500	97.30%
2009	530,882	481,679	90.73%	14,702	496,381	93.50%
2010	505,038	486,521	96.33%	19,331	486,521	96.33%
2011	474,928	463,411	97.58%	10,917	474,328	99.87%
2012	459,924	443,013	96.32%		443,013	96.32%

City of Sugar Creek
Ratios of Outstanding Debt by Type
Last Ten Calendar Years

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)
	Energy Loan	Development Agreements	Capital Leases	Certificates of Participation	Revenue Bonds	Capital Leases	Certificate of Participation			
2002	\$ -	-	-	-	\$ -	-	-	\$ -	-	\$ -
2003	-	-	-	-	-	-	-	-	-	-
2004	-	-	-	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-	-	-
2007	-	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	2,690,000	-	-	-	2,690,000	3%	759
2010	-	-	-	2,600,000	-	-	-	2,600,000	4%	777
2011	-	-	-	2,545,000	-	-	-	2,545,000	5%	760
2012	94,712	-	-	2,490,000	-	-	-	2,584,712	Not Available	Not Available

Notes: (2) See Table 15 for personal income and population data.

Table 12

City of Sugar Creek
 Ratio of General Bonded Debt Outstanding
 Last Ten Calendar Years

Fiscal Year	General Obligation Bonds	Less Amounts Available in Debt Service	Total	Percentage of Est Actual Taxable Value of Property (1)	Per Capita (1)
2002	\$ -	\$ -	\$ -	0.00%	-
2003	-	-	-	0.00%	-
2004	-	-	-	0.00%	-
2005	-	-	-	0.00%	-
2006	-	-	-	0.00%	-
2007	-	-	-	0.00%	-
2008	-	-	-	0.00%	-
2009	-	-	-	0.00%	-
2010	-	-	-	0.00%	-
2011	-	-	-	0.00%	-
2012	-	-	-	0.00%	Not Available

Notes: (1) See Table 15 for personal income and population data.

Table 13

City of Sugar Creek
Direct and Overlapping Governmental Activities Debt
As of September 30, 2012

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Independence School District	\$ 155,775,000	23.00%	\$ 35,828,250
Fort Osage Reorganized #1 School District (as of June 30)	48,470,000	3.00%	1,454,100
Subtotal, overlapping debt			<u>37,282,350</u>
City direct debt			<u>2,584,712</u>
Total direct and overlapping debt			<u>\$ 39,867,062</u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Independence. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: The debt outstanding data and applicable percentages provided by each governmental entity.

City of Sugar Creek
 Legal Debt Margin Information
 Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt Limit (1)	\$ 8,781,583	9,367,015	9,395,749	9,698,933	9,835,254	10,183,469	9,903,756	9,297,053	9,479,378	9,270,407
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 8,781,583	9,367,015	9,395,749	9,698,933	9,835,254	10,183,469	9,903,756	9,297,053	9,479,378	9,270,407
Total net debt applicable to the limit as a percentage of debt limit	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%

Legal Debt Margin Calculation for Fiscal Year 2012

Assessed Value	\$ 46,352,034
Debt Limit (20% of assessed value)	9,270,407
Total net debt applicable to limit	-
Legal debt margin	\$ 9,270,407

Note:

(1) Article 6, Section 26(b) of the Missouri Constitution permits any county or city, by vote of four-sevenths of qualified electors voting thereon, to incur an indebtedness of city purposes not to exceed 5 percent of the value of the taxable tangible property therein, as shown by the last assessment.

Article 6, Section 26(c) of the Missouri Constitution permits any county or city, by vote of four-sevenths of qualified electors voting thereon, to incur additional indebtedness of city purposes not to exceed 5 percent of the value of the taxable tangible property therein, as shown by the last assessment.

Article 6, Section 26(d) & (e) of the Missouri Constitution provides that any city may become indebted not exceeding in the aggregate an additional 10 percent of the value of the taxable tangible property for the purpose of acquiring right-of-ways, contracting, extending and improving streets and avenues and/or sanitary or storm sewer systems and an additional 10 percent for purchasing or construction of waterworks, electric or other light plants provided the total general obligated indebtedness of the city does not exceed 20 percent of the assessed valuation.

City of Sugar Creek
 Demographic and Economic Statistics
 Last Ten Calendar Years

<u>Calendar Year (3)</u>	<u>Population (1)</u>	<u>Personal Income (thousands of dollars)</u>	<u>Median Household Income Personal Income</u>	<u>Median Per Capita Personal Income</u>	<u>Unemployment Rate (1)</u>
2003	3,974	\$ 66,072,600	\$ 36,707	\$ 16,626	8.20%
2004	4,005	65,793,600	36,552	16,428	7.70%
2005	3,975	67,586,400	37,548	17,003	6.30%
2006	3,975	68,938,128	38,299	17,343	6.30%
2007	3,544	70,317,000	39,065	19,841	5.90%
2008	3,533	93,232,000	48,094	26,389	7.30%
2009	3,543	86,282,600	46,692	24,353	6.80%
2010	3,345	66,722,715	37,167	19,947	9.00%
2011	3,348	51,418,584	31,685	15,358	8.20%
2012	Not Available	Not Available	Not Available	Not Available	Not Available

Sources: (1) www.city-data.com
2010.census.gov
www.moving.com/realestate (city profile)

Note: (3) The information shown is for calendar year.

Table 16

City of Sugar Creek
Principal Employers
Current Year and Ten Years Ago

Employer	2012			2002*		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Recovery Sales Corporation	125	1	8.09%	260	1	16.82%
Central Plains Cement (formerly Lafarge)	105	2	6.79%			
Talon Concrete Aggregate (formerly Lafarge)	55	3	3.56%			
Midwest Warehousing Services Inc	53	4	3.43%			
Menco Royal Inc.	33	5	2.13%	42	6	2.72%
Transwood, Inc.	29	6	1.88%			
Wil-Pav Inc	25	7	1.62%	23	8	1.49%
Taco Bell	23	8	1.49%			
Courtney Ridge Recycling (formerly APAC)	17	9	1.10%	87	3	5.63%
Talon Material Quarry (formerly Lafarge)	16	10	1.03%			
Lafarge Corporation				106	2	6.86%
American Sterling Bank				70	4	4.53%
Love Box				69	5	4.46%
Jones Wholesale Grocer - Unit 39				28	7	1.81%
Kross Restaurant				22	9	1.42%
Sonic Drive In				20	10	1.29%
Total	<u>481</u>		<u>31.11%</u>	<u>727</u>		<u>47.02%</u>

*We no longer have access to 2003 Principal Employers, 2002 information used.

City of Sugar Creek
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function:	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Administration	11	11	11	11	11	11	11	11	11	10
Public Safety										
Police	16	16	15	16	16	16	16	16	16	17
Dispatch	6	6	6	6	6	6	6	6	5	5
Firefighters	4	5	6	6	6	6	6	6	6	5
Street and Public Works										
Street Maint.	14	17	14	16	16	14	14	13	12	12
Refuse	3	3	3	3	3	3	3	3	3	3
Community Development	3	3	1	1	1	2	1	1	1	1
Parks and Recreation	1	1	1	1	1	2	1	1	1	1

Source: Various City Departments

City of Sugar Creek
 Operating Indicators by Function/Program
 Last Ten Calendar Years

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public Safety										
Police										
Physical Arrest	550	727	767	838	1,140	958	795	1116	721	632
Traffic violations	1,345	1,142	1,651	1,673	1,861	1017	992	665	990	897
Speed & Stop Light violations									3281	4705
Park violations	-	3	-	34	9	10	3	16	28	5
Fire										
Number of calls answered	431	474	525	480	536	527	504	482	557	610
Number of inspections covered	-	-	-	391	352	179	249	231	226	236
Water										
Number of customers	1,002	998	1,000	985	979	981	969	964	956	956
Sewer										
Number of customers	1,578	1,573	1,587	1,559	1,549	1529	1508	1509	1425	1462

Source: Various City Departments

City of Sugar Creek
 Capital Asset Statistics by Function/Program
 Last Ten Fiscal Years

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public Safety										
Police										
Police stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	10	10	15	15	16	14	10	10	10	14
Fire										
Fire Stations	1	1	1	1	1	1	1	1	1	1
Public Works										
Total area (square miles)	9.5	9.5	10.88	10.88	10.88	10.88	10.88	10.88	10.88	10.88
Miles of streets	33	33	33	33	33	33	33	33	33	33
Culture and Recreation										
Park acreage	391.63	391.63	391.63	391.63	391.63	391.63	391.63	391.63	391.63	391.63
Parks	2	2	2	2	5	5	5	5	5	5
Gymnasium	1	1	1	1	1	1	1	1	1	1
Shelterhouses	1	3	3	3	6	6	6	6	6	6
Ball Fields	7	7	7	7	7	9	9	6	6	6
Pavilion	1	1	1	1	1	1	1	1	1	1
Walking track	1	1	1	1	1	1	1	1	1	1
Gazebo					1	1	1	1	1	1
Water										
Water mains (miles)	19	19	19	19	19	19	19	19	19	19
Fire hydrants	85	87	87	87	87	97	98	99	99	102
Sewer										
Number of treatment plants	-	1	1	1	1	1	1	1	1	1
Sewers mains (miles)	21	21	21	21	21	21	21	21	21	21
Number of service connections	1,578	1,573	1,587	1,559	1549	1529	1508	1509	1425	1462

Source: Various City Departments

(This page has been intentionally left blank)