

CITY OF
SUGAR CREEK,
MISSOURI

Comprehensive Annual Financial Report

Year Ended September 30, 2009

CITY OF SUGAR CREEK, MISSOURI
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Year Ended September 30, 2009

Prepared by

Linda R. Martinovich

City Treasurer – Finance Officer

CITY OF SUGAR CREEK, MISSOURI

Comprehensive Annual Financial Report

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INTRODUCTORY SECTION

CITY OF SUGAR CREEK, MISSOURI

Principal Officials

Mayor

Honorable Stanley J. Salva

Board of Aldermen

*Honorable Dennis R. Onka
Honorable Stanley J. Sagehorn
Honorable Charles Mikulich
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

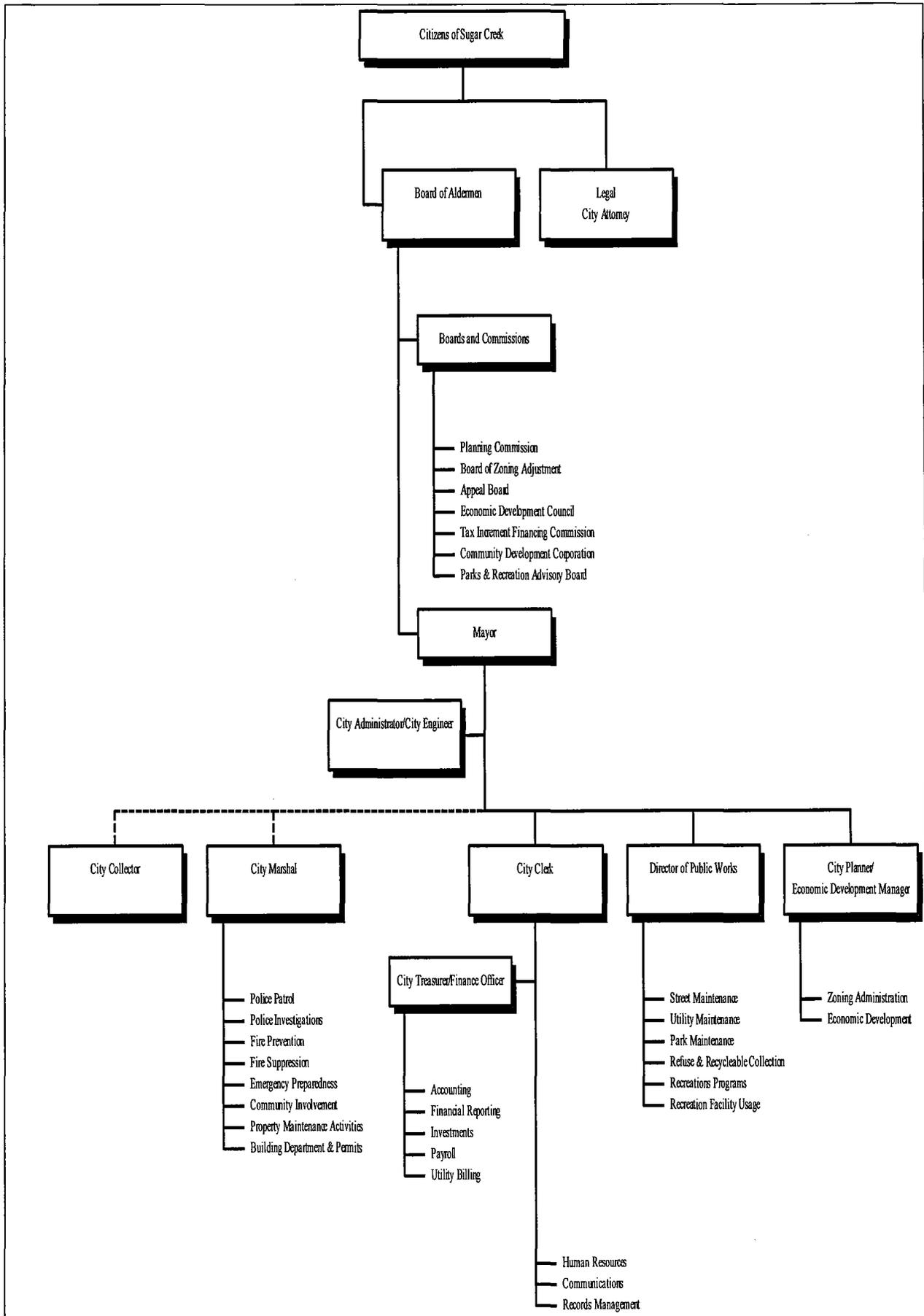
Independent Certified Public Accountants

Cochran Head Vick & Co., P.C.

CITY OF SUGAR CREEK, MISSOURI

Organizational Chart

September 30, 2009



March 30, 2010

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, 2009 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.

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 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.

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 2000 Census, the population of the City Sugar Creek is 3,839. 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 is 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; however, starting in the last quarter of the 2008 fiscal year and continuing through fiscal year 2009, sales tax receipts, and gross receipts tax, have remained lower than prior years due to the downward turn in the economy. Electrical franchise fees have also been lower for certain months. It is believed this condition is directly related to a decline in construction activity. Despite the economic trend the City was able to sustain all full-time employees other than retirements and individuals leaving the City's employment for other reasons. The City is continuing to work on development of Industrial and Commercial property.

The City completed property acquisition for Phase 1 of Sugarland Center redevelopment project during 2008. The real-estate required to implement Phase 1 was sold to JLP Sugarland Inc (the Developer) during fiscal years 2008 and 2009. All of the property required for Phase 1 is under the Developer's control and approximately 72% of the building space in Phase 1 is under lease. Despite having control of all of the property, an executed lease agreement for the anchor tenant, and a majority of the other available spaces leased, the City was not able to issue Tax Increment Financing Bonds enabling the project to advance forward due to the current economic conditions.

The Courtney Ridge Recycling and Disposal Facility is one of the City's top revenues sources. During 2008, the disposal volume declined due to economic conditions causing a decrease in gross receipt tax revenues. This condition continued through fiscal year 2009. The decline in revenue from the facility is attributed to an increase in recycling and waste materials being diverted from the Courtney Ridge disposal facility.

Construction of the new Police and Fire facility was completed in November 2008. The new building is located on Parcel 3 within the Phase 1A of the Bluffs at Sugar Creek redevelopment project. The City reestablished the web site for the Bluffs at Sugar Creek during 2008. During 2009, marketing efforts were slowed due to the economic environment and the inability for a potential project partner to obtain financing for a project. The City will continue to market the project and increase activity when the economy improves.

The City has been working on formation of an Enhanced Enterprise Zone (EEZ) for several years. The EEZ is located on either side of Sterling Ave starting at the southern corporate limits and extending North to Norledge Ave. The new economic development tool was approved by the Missouri Department of Economic Development June 22, 2009.

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 and during 2008, the City received notification that the US Postal Service was willing to sell their building to the City for inclusion into the wellness center plan. WNB developed a preliminary floor plan for the Postal Service building which included fitness, cardio equipment, offices, a studio and outdoor splash pad. The advancement of this plan was halted during 2009, because the City received notification from the Postal Service indicating they are reevaluating whether to execute the property sale to the City. Additionally, funds originally allocated to cover construction costs for the Wellness Center were used to purchase land for Sugarland Center. These circumstances have placed the Wellness Center project on hold and the City is working to identify alternate methods to implement the project.

The new approved sales taxes went into effect April 1, 2006. Since the sales tax became effective the City has implemented several capital projects and replaced outdated equipment

During November 2007, Wild Rose Entertainment in partnership with the City submitted a formal application for licensing to the Missouri Gaming Commission. The application included a mixed-use development anchored by a casino and was planned to be located on 285 acres currently controlled by the City under an option to purchase. During the last quarter of 2007 an initiative petition placed a ballot question before the voters of Missouri which was passed and resulted in a cap of 13 being placed on the number of Gaming licenses in the State of Missouri. The City's project is still market feasible and is dependent upon the State Legislature removing the license cap before the project can advance forward. The City renewed the property option agreement for the property for an additional 36 months. During March 2009 Wild Rose Entertainment terminated their agreement with the City. The City is working to identify a new project developer.

Relative Financial Policies

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.

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 fifteenth consecutive year for its 2008 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.

We would also like to thank Cochran, Head, Vick & Co., P.C. for its assistance in making this report possible. 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, 2008

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.



A stylized, handwritten signature in black ink, appearing to be "JHR".

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

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, 2009, 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sugar Creek, Missouri, as of September 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 12 to the financial statements, the City adopted the provisions of GASB No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions*, in 2009.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2010, 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.

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

317 W. Young
Warrensburg, MO 64093
(660) 747-9125
(660)747-9490 FAX

The Management's Discussion and Analysis and the other required supplementary information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Sugar Creek, Missouri's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City of Sugar Creek, Missouri. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

March 30, 2010

A handwritten signature in black ink that reads "Codron Hood Vick Jr. PC". The signature is written in a cursive style with some capital letters.

MANAGEMENT'S DISCUSSION AND ANALYSIS

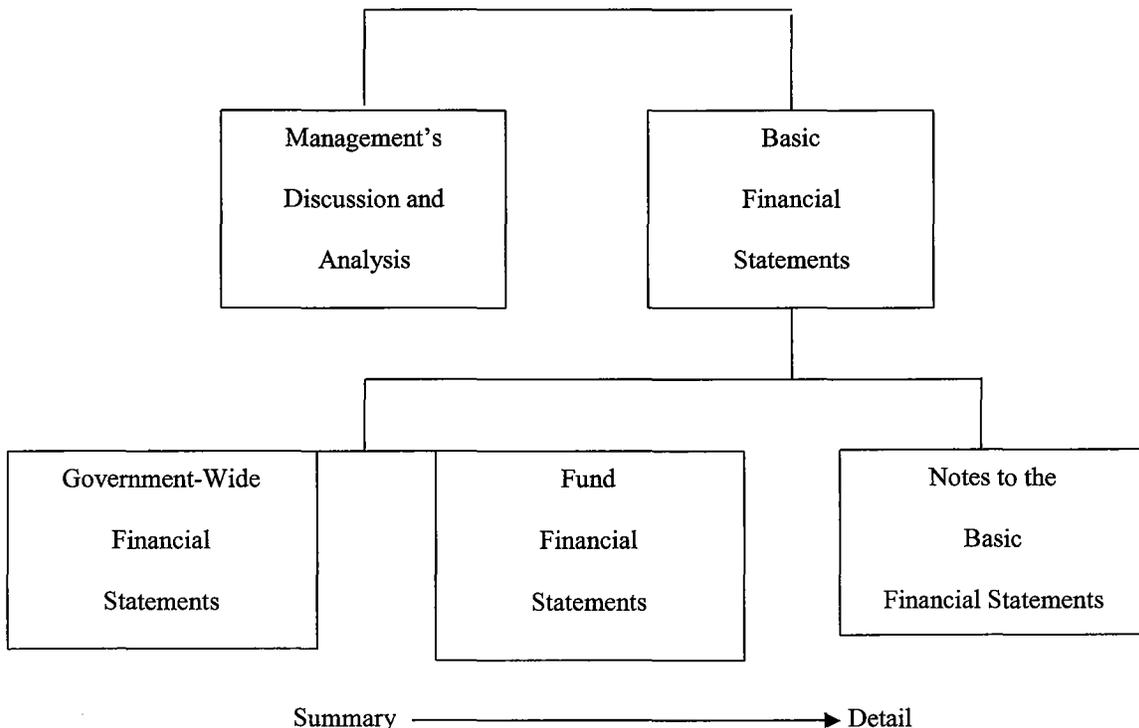
Our discussion and analysis of the City of Sugar Creek's (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2009. We encourage readers to consider the information presented here in conjunction with the accompanying transmittal 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, 2009 fiscal year by \$14,767,474 (Net assets). Of this amount, \$2,752,944 (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, 2008 fiscal year by \$17,222,960 (net assets). Of this amount \$4,232,362 (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 \$6,594,445 a decrease of \$363,708 in comparison with the prior year. Approximately 62 percent of the fund balance, \$4,083,816, is available for spending at the government's discretion (unreserved fund balance). As of the close of the September 30, 2008 fiscal year, the City of Sugar Creek's governmental funds reported combined ending fund balances of \$6,958,153 with approximately 77 percent of this amount, \$5,358,551, available for use within the City's designation and policies (unreserved fund balance).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$2,372,443 or 58 percent of the total General Fund expenditures for 2009. For September 30, 2008, unreserved fund balance for the General Fund was \$3,037,873, or 72 percent of total General Fund expenditures.

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 17 and 18) 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 19. 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 19 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.

Figure 2
Statement of Net Assets

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 9,736,275	\$ 10,199,444	\$ 1,022,931	\$ 961,873	\$ 10,759,206	\$ 11,161,317
Capital assets	8,929,298	7,959,443	904,596	947,501	9,833,894	8,906,944
Total assets	18,665,573	18,158,887	1,927,527	1,909,374	20,593,100	20,068,261
Other liabilities	648,854	884,383	194,929	160,452	843,783	1,044,835
Long-term debt	4,977,931	1,797,733	3,912	2,733	4,981,843	1,800,466
Total liabilities	5,626,785	2,682,116	198,841	163,185	5,825,626	2,845,301
Net assets						
Investment in capital assets	7,110,615	7,959,443	904,596	947,501	8,015,211	8,906,944
Restricted	3,999,319	4,083,654	-	-	3,999,319	4,083,654
Unrestricted	1,928,854	3,433,674	824,090	798,688	2,752,944	4,232,362
Total net assets	\$ 13,038,788	\$ 15,476,771	\$ 1,728,686	\$ 1,746,189	\$ 14,767,474	\$ 17,222,960

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 \$14,767,474 at the close of fiscal year ended September 30, 2009. Of this total, \$3,999,319 is restricted; \$317,910 is for debt service, \$1,949,637 for Capital Improvements, \$1,731,772 for the BP reuse and funding agreements.

For the year ended September 30, 2009, net assets of the City changed as follows:

**Figure 3
Statement of Changes in Net Assets**

Revenues:	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Program revenues:						
Charges for services	\$ 312,397	\$ 346,160	\$ 912,561	\$ 876,492	\$ 1,224,958	\$ 1,222,652
Operating grants and contributions	91,923	5,819	-	-	91,923	5,819
Capital grants and contributions	29,352	219,955	-	-	29,352	219,955
General revenues:						
Property taxes	644,084	640,137	-	-	644,084	640,137
Sales tax	625,473	754,035	-	-	625,473	754,035
Gross receipts tax	942,316	1,083,598	-	-	942,316	1,083,598
Franchise tax	1,378,238	1,458,309	-	-	1,378,238	1,458,309
Other taxes	44,304	54,343	-	-	44,304	54,343
Intergovernmental	301,809	210,094	-	-	301,809	210,094
Contractual agreements	155,602	445,970	-	-	155,602	445,970
Unrestricted investment earnings	72,965	316,752	27,699	46,304	100,664	363,056
Miscellaneous	29,897	198,128	-	-	29,897	198,128
Gain on sale of capital assets	-	143,384	-	-	-	143,384
Total revenues	4,628,360	5,876,684	940,260	922,796	5,568,620	6,799,480
Expenses:						
General administration	1,350,687	1,361,541	-	-	1,350,687	1,361,541
Public safety	1,014,227	1,729,300	-	-	1,014,227	1,729,300
Streets and public works	1,164,936	1,192,799	-	-	1,164,936	1,192,799
Economic development	3,077,439	5,303,205	-	-	3,077,439	5,303,205
Health and welfare	6,774	12,504	-	-	6,774	12,504
Parks and recreation	345,374	359,177	-	-	345,374	359,177
Interest on long-term debt	106,906	126,575	-	-	106,906	126,575
Water	-	-	192,704	216,054	192,704	216,054
Sanitary sewer	-	-	558,313	539,833	558,313	539,833
Sanitation	-	-	206,746	207,788	206,746	207,788
Total expenses	7,066,343	10,085,101	957,763	963,675	8,024,106	11,048,776
Change in net assets	(2,437,983)	(4,208,417)	(17,503)	(40,879)	(2,455,486)	(4,249,296)
Net assets, beginning of year	15,476,771	19,685,188	1,746,189	1,787,068	17,222,960	21,472,256
Net assets, end of year	\$13,038,788	\$15,476,771	\$ 1,728,686	\$ 1,746,189	\$14,767,474	\$17,222,960

The City's net assets decreased \$2,455,486 during the 2009 fiscal year. Of the total, governmental activities net assets decreased \$2,437,983 and business-type net assets decreased by \$17,503. The decrease in governmental activities net assets is related to economic development costs of \$3,077,439 for property purchases and other expenses related to the Sugarland development at 24 Highway and Sterling. Interest earned on investments decreased \$243,787 for 2009 due to lower interest rates.

The decrease in business-type net assets is due to the reduction of net assets in the sewer fund of \$42,946. The cost of operating the sewer funds is exceeding the operating revenues. The water funds net assets increased by \$9,299 and the sanitation fund net assets increased by \$16,144.

The City's Funds

The City of Sugar Creek's governmental funds reported combined ending fund balances of \$6,594,445, a decrease of \$363,708. The primary reason for this decrease is the downward trend in economic factors affecting the City's tax revenues. Of the total governmental fund balances \$4,083,816 is unrestricted and available for use within the City's designation and policies. The remainder of fund balance is reserved to indicate that it is not available for new spending because it is restricted for property held for redevelopment \$628,719, debt service \$317,910, capital projects \$817,317 and other various purposes \$692,683.

The general fund is the main operating fund of the City of Sugar Creek. At the end of the current year, unreserved fund balance of the general fund was \$2,372,443 while total fund balance reached \$3,065,126. 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. Unreserved fund balance represents 58 percent of total general fund expenditures, while total fund balance represents 75 percent of that same amount.

The fund balance of the general fund decreased during 2009 by \$285,193. The City's tax revenues declined significantly. Significant revenues that declined were Electrical Franchise tax decreasing by 9 percent, sales tax 18 percent and gross receipts tax by 15 percent.

The Board of Aldermen passed an agreement to complete design of the Lewis and Clark Expressway between Sterling Ave. and Interstate 435 and Front Street. The cost of design will be paid out of state gas tax fund. The city will receive federal funds and has entered into agreements with the City of Independence and the City of Kansas City to fund the local match requirement.

Other revenues decreased in 2009. The city had several contractual agreements in fiscal year 2008. The agreements with Lafarge, Wildrose Entertainment and Woodman of the World Life insurance totaled \$175,620. BNSF railway closed the Courtney Crossing and the City received \$130,000 from BNSF railway and \$25,000 from Missouri Department of Transportation to pay for work done at the crossing after closure.

The Reuse Agreement Fund accounts for funds to be used in accordance with the BP Reuse Agreement as discussed in more detail in Note 6 to the basic financial statements. The fund balance decreased by \$1,045,194. The Reuse Agreement Fund was used to pay for expenditures related to the Sugarland Center redevelopment project located at 24 Highway and Sterling.

The Sugarland TIF Fund incurred \$1,495,132 in economic development expenditures related to the TIF Plan.

Certificates of participation totaling \$2,690,000 were issued to fund various City projects.

The Sales Tax Funds for Capital Improvement, Parks and Recreation and Storm Water Improvements experienced a decrease in revenues during 2009. Sales tax collections for 2009 totaled \$279,225 compared to \$340,411 for 2008.

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 \$285,193 over the prior year. During the year there was a \$94,400 increase in appropriations between the original and final amended budget. Following are the components of the increase:

- \$49,400 allocated to the public works department
- \$45,000 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, 2009, the City had over \$9.8 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 \$926,950 over last year. See Note 8 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	
	2009	2008	2009	2008	2009	2008
Land	\$ 1,914,337	\$ 1,914,337	\$ -	\$ -	\$ 1,914,337	\$ 1,914,337
Buildings and improvements	4,735,032	439,791	-	-	4,735,032	439,791
Construction in progress	-	3,640,682	-	-	-	3,640,682
Equipment and vehicles	789,619	473,998	171,447	186,928	961,066	660,926
Office equipment	161,017	80,722	-	-	161,017	80,722
Infrastructure	1,329,293	1,409,913	-	-	1,329,293	1,409,913
Sewer and water lines	-	-	733,149	760,573	733,149	760,573
Total	\$ 8,929,298	\$ 7,959,443	\$ 904,596	\$ 947,501	\$ 9,833,894	\$ 8,906,944

Construction on the new police and fire building located on Parcel 3 within the Bluffs of Sugar Creek redevelopment was completed during 2009. The total cost of construction is now shown in buildings and improvements. The increase in equipment, vehicles and office equipment is the purchase of two dump trucks, a loader, a John Deere tractor, a new scoreboard for the ballpark and new equipment in the police and fire building.

There were no significant changes in the business type capital assets.

Long-term Obligations

The City issued \$2,690,000 Certificates of Participation financing in May, 2009. The City has entered into redevelopment agreements related to the Sugarland and Lafarge Tax Increment Financing Plans. The City implemented Governmental Accounting Standards Board (GASB) Statement No. 45 which requires accounting and financial reporting by employers for postemployment benefits. See Note 9 to the basic financial statements for more information and detail on the City's long-term obligations.

	Outstanding Obligations					
	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Compensated absences	\$ 128,188	\$ 121,196	3,136	\$ 2,733	\$ 131,324	\$ 123,929
Other post-employment benefits	21,727	-	776	-	22,503	-
Certificates of Participation	2,690,000	-	-	-	2,690,000	-
Discount on issuance	(74,415)	-	-	-	(74,415)	-
Developer agreement - LaFarge	1,617,963	1,676,537	-	-	1,617,963	1,676,537
Developer agreement - Sugarland, net	594,468	-	-	-	594,468	-
Total	<u>\$ 4,977,931</u>	<u>\$ 1,797,733</u>	<u>\$ 3,912</u>	<u>\$ 2,733</u>	<u>\$ 4,981,843</u>	<u>\$ 1,800,466</u>

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

City of Sugar Creek, Missouri
Statement of Net Assets
September 30, 2009

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Assets			
Pooled cash and investments	\$ 4,328,899	\$ 670,044	\$ 4,998,943
Receivables:			
Taxes	600,144	-	600,144
Special assessments	3,744	19,977	23,721
Contractual agreements	2,260,000	88,333	2,348,333
Accounts and other	80,348	202,971	283,319
Accrued interest	5,252	7,824	13,076
Due from other governments	198,078	-	198,078
Internal balances	225,200	(225,200)	-
Prepays, deposits, and other assets	124,959	11,845	136,804
Restricted assets:			
Cash and investments	1,154,305	63,935	1,218,240
Notes receivable	-	183,202	183,202
Property held for redevelopment	628,719	-	628,719
Unamortized bond issue costs	126,627	-	126,627
Capital assets:			
Not being depreciated	1,914,337	-	1,914,337
Being depreciated, net of depreciation	7,014,961	904,596	7,919,557
Total assets	18,665,573	1,927,527	20,593,100
Liabilities			
Accounts payable	464,045	125,205	589,250
Accrued payroll and benefits	76,703	5,789	82,492
Accrued interest	90,558	-	90,558
Payable from restricted assets:			
Police unclaimed money	1,952	-	1,952
Customer deposits	5,680	63,935	69,615
Municipal court bonds	9,916	-	9,916
Long term debt:			
Due within one year	509,447	3,136	512,583
Due in more than one year	4,468,484	776	4,469,260
Total liabilities	5,626,785	198,841	5,825,626
Net Assets			
Invested in capital assets, net of related debt	7,110,615	904,596	8,015,211
Restricted :			
Debt service	317,910	-	317,910
Capital improvements	1,949,637	-	1,949,637
BP Reuse and Funding agreements	1,731,772	-	1,731,772
Unrestricted	1,928,854	824,090	2,752,944
Total net assets	\$ 13,038,788	\$ 1,728,686	\$ 14,767,474

See accompanying notes to the basic financial statements

City of Sugar Creek, Missouri
Statement of Activities
For the Year Ended September 30, 2009

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating	Capital	Primary Government		
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Government activities							
General administration	\$ 1,350,687	\$ 131,274	\$ -	\$ -	\$ (1,219,413)	\$ -	\$ (1,219,413)
Public safety	1,014,227	150,986	16,923	-	(846,318)	-	(846,318)
Streets and public works	1,164,936	282	-	29,352	(1,135,302)	-	(1,135,302)
Economic development	3,077,439	-	75,000	-	(3,002,439)	-	(3,002,439)
Health and welfare	6,774	-	-	-	(6,774)	-	(6,774)
Parks and recreation	345,374	29,855	-	-	(315,519)	-	(315,519)
Interest on long-term debt	106,906	-	-	-	(106,906)	-	(106,906)
Total governmental activities	<u>7,066,343</u>	<u>312,397</u>	<u>91,923</u>	<u>29,352</u>	<u>(6,632,671)</u>	<u>-</u>	<u>(6,632,671)</u>
Business-type activities							
Water	192,704	200,272	-	-	-	7,568	7,568
Sanitary sewer	558,313	490,421	-	-	-	(67,892)	(67,892)
Sanitation	206,746	221,868	-	-	-	15,122	15,122
Total business-type activities	<u>957,763</u>	<u>912,561</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(45,202)</u>	<u>(45,202)</u>
Total primary government	<u>\$ 8,024,106</u>	<u>\$ 1,224,958</u>	<u>\$ 91,923</u>	<u>\$ 29,352</u>	<u>(6,632,671)</u>	<u>(45,202)</u>	<u>(6,677,873)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purpose					644,084	-	644,084
Sales taxes					625,473	-	625,473
Gross receipts taxes					942,316	-	942,316
Franchise taxes					1,378,238	-	1,378,238
Other taxes					44,304	-	44,304
Grants and contributions not restricted to specific programs					301,809	-	301,809
Contractual agreements					155,602	-	155,602
Unrestricted investment earnings					72,965	27,699	100,664
Miscellaneous					29,897	-	29,897
Total general revenues					<u>4,194,688</u>	<u>27,699</u>	<u>4,222,387</u>
Change in net assets					<u>(2,437,983)</u>	<u>(17,503)</u>	<u>(2,455,486)</u>
Net assets-beginning of year					<u>15,476,771</u>	<u>1,746,189</u>	<u>17,222,960</u>
Net assets-end of year					<u>\$ 13,038,788</u>	<u>\$ 1,728,686</u>	<u>\$ 14,767,474</u>

See accompanying notes to the basic financial statements

CITY OF SUGAR CREEK, MISSOURI
Balance Sheet - Governmental Funds
September 30, 2009

	General	Reuse Agreement	Sugarland TIF	Certificates of Participation	Other Governmental Funds	Total Governmental Funds
Assets						
Pooled cash and investments	\$ 2,075,639	\$ 213,113	\$ -	\$ -	\$ 2,040,147	\$ 4,328,899
Receivables:						
Taxes	543,912	-	-	-	56,232	600,144
Special assessments	-	-	-	-	3,744	3,744
Contractual agreements	-	2,260,000	-	-	-	2,260,000
Accrued interest	2,306	-	-	-	2,946	5,252
Other	80,348	-	-	-	-	80,348
Due from other governments	16,589	-	-	-	181,489	198,078
Due from other funds	567,724	-	-	-	180,278	748,002
Prepays, deposits and other assets	124,959	-	-	-	-	124,959
Restricted assets:						
Cash and investments	9,916	9,320	-	1,135,069	-	1,154,305
Property held for redevelopment	-	-	628,719	-	-	628,719
Total Assets	\$ 3,421,393	\$ 2,482,433	\$ 628,719	\$ 1,135,069	\$ 2,464,836	\$ 10,132,450
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ 76,903	\$ 240,617	\$ -	\$ -	\$ 146,525	\$ 464,045
Accrued liabilities	76,703	-	-	-	-	76,703
Payable from restricted assets:						
Police unclaimed money	1,952	-	-	-	-	1,952
Customer deposits	5,680	-	-	-	-	5,680
Municipal court bonds	9,916	-	-	-	-	9,916
Due to other funds	6,646	510,044	-	-	6,112	522,802
Deferred revenue	178,467	2,260,000	-	-	18,440	2,456,907
Total Liabilities	356,267	3,010,661	-	-	171,077	3,538,005
Fund balances:						
Reserved for:						
Prepays	124,959	-	-	-	-	124,959
Advances to other funds	567,724	-	-	-	-	567,724
Property held for redevelopment	-	-	628,719	-	-	628,719
Debt service	-	-	-	263,752	54,158	317,910
Capital projects	-	-	-	871,317	-	871,317
Unreserved, reported in:						
General fund	2,372,443	-	-	-	-	2,372,443
Special revenue funds	-	(528,228)	-	-	1,838,167	1,309,939
Capital projects funds	-	-	-	-	401,434	401,434
Total fund balances (deficit)	3,065,126	(528,228)	628,719	1,135,069	2,293,759	6,594,445
Total liabilities and fund balances	\$ 3,421,393	\$ 2,482,433	\$ 628,719	\$ 1,135,069	\$ 2,464,836	\$ 10,132,450

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, 2009

Fund balances of governmental funds	\$ 6,594,445
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.	8,929,298
Long-term liabilities for items such as bonds and other obligations are not current obligations and, therefore, not recorded in the governmental fund statements.	
Long-term liabilities	(4,977,931)
Unamortized bond issue costs	126,627
Certain revenues are not available to pay for current period expenditures and therefore are deferred in the governmental funds.	2,456,907
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.	(90,558)
Net assets of governmental activities	<u>\$ 13,038,788</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, 2009

	General	Reuse Agreement	Sugarland TIF	Certificates of Participation	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 3,101,675	\$ -	\$ -	\$ -	\$ 447,899	\$ 3,549,574
Intergovernmental	16,923	-	-	-	312,139	329,062
Charges for services	27,723	-	-	-	-	27,723
Rentals	51,643	-	-	-	-	51,643
Fines and forfeitures	144,233	-	-	-	-	144,233
Payments in lieu of tax	24,280	-	-	-	-	24,280
Special assessments	-	-	-	-	4,111	4,111
Contractual agreements	254,629	974	-	-	-	255,603
Licenses and permits	88,798	-	-	-	-	88,798
Interest	37,162	1,931	-	792	33,080	72,965
Other	28,487	-	-	-	1,340	29,827
Total Revenues	3,775,553	2,905	-	792	798,569	4,577,819
Expenditures:						
Current:						
General administration	1,275,119	-	-	482	90,049	1,365,650
Public safety	1,751,866	-	-	-	-	1,751,866
Streets and public works	751,313	-	-	-	600,811	1,352,124
Economic development	-	987,839	1,495,132	-	-	2,482,971
Health and welfare	-	-	-	-	6,774	6,774
Parks and recreation	282,448	-	-	-	64,272	346,720
Debt service:						
Principal	-	-	-	-	58,574	58,574
Interest and fiscal charges	-	-	-	128,578	62,708	191,286
Total Expenditures	4,060,746	987,839	1,495,132	129,060	883,188	7,555,965
Excess of Revenues Over (Under) Expenditures	(285,193)	(984,934)	(1,495,132)	(128,268)	(84,619)	(2,978,146)
Other financing sources (uses):						
Transfers in	-	1,338,451	1,411,361	-	-	2,749,812
Transfers out	-	(1,398,711)	-	(1,351,101)	-	(2,749,812)
Issuance of certificates of participation	-	-	-	2,690,000	-	2,690,000
Original issue discount	-	-	-	(75,562)	-	(75,562)
Total Other Financing Sources (Uses)	-	(60,260)	1,411,361	1,263,337	-	2,614,438
Net change in fund balances	(285,193)	(1,045,194)	(83,771)	1,135,069	(84,619)	(363,708)
Fund Balances, Beginning of Year	3,350,319	516,966	712,490	-	2,378,378	6,958,153
Fund Balances (Deficit), End of Year	\$ 3,065,126	\$ (528,228)	\$ 628,719	\$ 1,135,069	\$ 2,293,759	\$ 6,594,445

See accompanying notes to the basic financial statements

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, 2009

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

Net change in fund balances - total governmental funds	\$ (363,708)
<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	1,383,509
Depreciation	(413,654)
<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	50,541
<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>	
Repayment of principal on long-term debt	58,574
Issuance of certificates of participation	(2,690,000)
Developer obligations, net	(594,468)
Changes in unamortized bond issue costs	126,627
Changes in unamortized bond issuance discount	74,415
Changes in accrued interest expense	(41,100)
<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 and other benefits payable	(28,719)
Change in net assets of governmental activities	\$ (2,437,983)

See accompanying notes to the basic financial statements

CITY OF SUGAR CREEK, MISSOURI
Statement of Net Assets
Proprietary Funds
September 30, 2009

	Water	Sanitary Sewer	Sanitation	Totals
Assets				
Current assets:				
Pooled cash and investments	\$ 60,485	\$ 524,045	\$ 85,514	\$ 670,044
Receivables, net:				
Accounts	31,884	121,726	49,361	202,971
Contractual agreements	-	88,333	-	88,333
Special assessments	-	3,003	-	3,003
Accrued interest	226	7,405	193	7,824
Prepaid expenses	2,707	5,077	4,061	11,845
Restricted cash and investments	63,935	-	-	63,935
Notes receivable	-	55,005	-	55,005
Total current assets	159,237	804,594	139,129	1,102,960
Noncurrent assets:				
Receivables, net:				
Special assessments	-	16,974	-	16,974
Notes receivable	-	128,197	-	128,197
Capital assets, net of depreciation	72,363	734,726	97,507	904,596
Total noncurrent assets	72,363	879,897	97,507	1,049,767
Total assets	231,600	1,684,491	236,636	2,152,727
Liabilities				
Current liabilities:				
Accounts payable	8,893	115,866	446	125,205
Accrued liabilities	1,788	775	3,226	5,789
Compensated absences	-	-	3,136	3,136
Due to other funds	-	-	50,000	50,000
Current liabilities (payable from restricted assets):				
Deposits	63,935	-	-	63,935
Total current liabilities:	74,616	116,641	56,808	248,065
Long-term liabilities:				
Due to other funds	-	175,200	-	175,200
Other post employment benefits	-	-	776	776
Total long-term liabilities:	-	175,200	776	175,976
Total liabilities	74,616	291,841	57,584	424,041
Net assets				
Invested in capital assets	72,363	734,726	97,507	904,596
Unrestricted	84,621	657,924	81,545	824,090
Total net assets	\$ 156,984	\$ 1,392,650	\$ 179,052	\$ 1,728,686

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, 2009

	Water	Sanitary Sewer	Sanitation	Totals
Operating revenues:				
Charges for services	\$ 200,272	\$ 490,421	\$ 221,868	\$ 912,561
Total operating revenues	<u>200,272</u>	<u>490,421</u>	<u>221,868</u>	<u>912,561</u>
Operating expenses:				
Personal services	79,054	37,894	171,026	287,974
Contractual services	10,497	484,405	10,145	505,047
Materials and supplies	21,463	6,529	11,535	39,527
Cost of water purchased	72,032	-	-	72,032
Depreciation	9,476	29,409	14,040	52,925
Other	182	76	-	258
Total operating expenses	<u>192,704</u>	<u>558,313</u>	<u>206,746</u>	<u>957,763</u>
Operating income (loss)	<u>7,568</u>	<u>(67,892)</u>	<u>15,122</u>	<u>(45,202)</u>
Nonoperating revenues:				
Interest income	1,731	24,946	1,022	27,699
Total nonoperating revenues	<u>1,731</u>	<u>24,946</u>	<u>1,022</u>	<u>27,699</u>
Change in net assets	9,299	(42,946)	16,144	(17,503)
Total net assets, beginning of year	147,685	1,435,596	162,908	1,746,189
Total net assets, end of year	<u>\$ 156,984</u>	<u>\$ 1,392,650</u>	<u>\$ 179,052</u>	<u>\$ 1,728,686</u>

See accompanying notes to the basic financial statements

CITY OF SUGAR CREEK, MISSOURI
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2009

	Water	Sanitary Sewer	Sanitation	Totals
Cash flows provided by (used in) operating activities:				
Receipts from customers	\$ 193,056	\$ 516,208	\$ 221,254	\$ 930,518
Payments to suppliers	(101,447)	(459,240)	(21,572)	(582,259)
Payments to employees	(78,864)	(37,842)	(171,345)	(288,051)
Net cash provided by (used in) operating activities	<u>12,745</u>	<u>19,126</u>	<u>28,337</u>	<u>60,208</u>
Cash flows provided by (used in) investing activities:				
Interest received	2,803	29,341	1,389	33,533
Purchases of certificates of deposit	(164,000)	(1,227,819)	(194,636)	(1,586,455)
Maturity of certificates of deposit	156,470	1,125,520	161,903	1,443,893
Reimbursements from developers	-	50,932	-	50,932
Net cash flows provided by (used in) investing activities	<u>(4,727)</u>	<u>(22,026)</u>	<u>(31,344)</u>	<u>(58,097)</u>
Cash flows provided by (used in) capital and related financing activities:				
Purchases of capital assets	(10,020)	-	-	(10,020)
Special assessments received	-	2,884	-	2,884
Net cash flows provided by (used in) capital and related financing activities	<u>(10,020)</u>	<u>2,884</u>	<u>-</u>	<u>(7,136)</u>
Net change in cash and equivalents	(2,002)	(16)	(3,007)	(5,025)
Cash and equivalents, beginning of year	23,922	89,656	16,101	129,679
Cash and equivalents, end of year	21,920	89,640	13,094	124,654
Long-term certificates of deposit	102,500	434,405	72,420	609,325
Total cash and investments reported on the Statement of Net Assets	<u>\$ 124,420</u>	<u>\$ 524,045</u>	<u>\$ 85,514</u>	<u>\$ 733,979</u>
Cash and investments reported on the Statement of Net Assets:				
Pooled cash and investments	\$ 60,485	\$ 524,045	\$ 85,514	\$ 670,044
Restricted cash and investments	63,935	-	-	63,935
Total cash and investments	<u>\$ 124,420</u>	<u>\$ 524,045</u>	<u>\$ 85,514</u>	<u>\$ 733,979</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 7,568	\$ (67,892)	\$ 15,122	\$ (45,202)
Adjustments to reconcile operating loss to net cash used by operations:				
Depreciation	9,476	29,409	14,040	52,925
Change in compensated absences and other post employment benefit obligations	-	-	1,179	1,179
Changes in:				
Receivables	(7,330)	25,787	(614)	17,843
Prepaid expenses and deposits	(225)	(451)	(338)	(1,014)
Accounts payable	2,952	32,221	446	35,619
Accrued liabilities	190	52	(1,498)	(1,256)
Customer deposits	114	-	-	114
Net cash provided by (used in) operating activities	<u>\$ 12,745</u>	<u>\$ 19,126</u>	<u>\$ 28,337</u>	<u>\$ 60,208</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, 2009

(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 accounting principles generally accepted 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 the City's financial reporting entity, management has considered all potential component units. The accompanying basic financial statements present the City and the component units over which the City is financially accountable. Financial accountability is based primarily on operational or financial relationships with the City (as distinct from legal relationships). Management has determined that there are no component units related to the City that should be accounted for in the City's 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. Interfund activity is eliminated to avoid "doubling up" revenues and expenses.

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.

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements
September 30, 2009

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 with BP Products of North America, Inc.

Sugarland TIF – used to account for the tax increment financing revenues and the related obligations related to the Sugarland TIF redevelopment project.

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

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.

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.

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements
September 30, 2009

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.

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.

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2009

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.

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.

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

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2009

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 contractual agreements with BP Products of North America, Inc., certain special assessments 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, 2009

K. 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.”

L. Expenditures in Excess of Budgeted Appropriations

In violation of the budget ordinance, actual expenditures including transfers out exceeded budgeted appropriations in the Reuse Agreement Fund by \$44,334, in the State Gasoline Tax Fund by \$132,459, in the Stormwater Sales Tax Fund by \$43,102, and in the Sugarland TIF Fund by \$123,602.

M. 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	\$	750
Demand deposits		2,514,030
Certificates of deposits		3,438,651
Restricted cash equivalents held in trust		263,752
	\$	<u>6,217,183</u>
		Government-wide statement of net assets
Pooled cash and investments	\$	4,998,943
Restricted cash and investments		1,218,240
	\$	<u>6,217,183</u>

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements
September 30, 2009

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, 2009, 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, 2009.

(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, 2008, was \$49,518,718.

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	\$ 0.9701
	Public Health	<u>0.1300</u>
		<u><u>\$ 1.1001</u></u>

Tax revenue for the year consisted of the following:

	<u>General Fund</u>	<u>Other Nonmajor Funds</u>	<u>Total</u>
Franchise taxes	\$ 1,290,015	\$ 3,380	\$ 1,293,395
Gross receipts taxes	942,316	-	942,316
Property taxes	540,938	103,148	644,086
Sales and use taxes	284,102	341,371	625,473
Other taxes	44,304	-	44,304
	<u><u>\$ 3,101,675</u></u>	<u><u>\$ 447,899</u></u>	<u><u>\$ 3,549,574</u></u>

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements
September 30, 2009

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, 2009:

	General Fund	Other Nonmajor Funds	Total
Franchise taxes	\$ 218,810	\$ -	\$ 218,810
Gross receipts taxes	226,665	-	226,665
Property taxes	49,097	13,912	63,009
Sales and use taxes	49,340	42,320	91,660
	<u>\$ 543,912</u>	<u>\$ 56,232</u>	<u>\$ 600,144</u>

(4) Intergovernmental Revenue/Receivables

Intergovernmental revenue during the year consisted of the following:

	General Fund	Other Nonmajor Funds	Total
Grants - Federal, State and Local State:	\$ 16,923	\$ 128,585	\$ 145,508
Motor vehicle sales tax	-	19,227	19,227
Motor vehicle fuel tax	-	106,442	106,442
Motor vehicle license and title transfer fees	-	16,260	16,260
Local:			
Tax increment financing revenues	-	21,711	21,711
County Urban Road System	-	19,914	19,914
Total Intergovernmental Revenue	<u>\$ 16,923</u>	<u>\$ 312,139</u>	<u>\$ 329,062</u>

Amounts due from other governments at September 30, 2009, were as follows:

	General Fund	Other Nonmajor Funds	Total
Grants - Federal and State State:	\$ 16,589	\$ 128,585	\$ 145,174
Motor vehicle sales tax	-	3,343	3,343
Motor vehicle fuel tax	-	18,099	18,099
Motor vehicle license and title transfer fees	-	2,440	2,440
County:			
Tax increment financing revenues	-	14,326	14,326
County Urban Road System	-	14,696	14,696
Total due from other governments	<u>\$ 16,589</u>	<u>\$ 181,489</u>	<u>\$ 198,078</u>

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements
September 30, 2009

(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, 2009, 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	\$ 234,133	\$ -	\$ 50,931	\$ 183,202	\$ 55,005

The scheduled maturities for these notes receivable are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 55,005	\$ 14,657	\$ 69,662
2011	59,407	10,255	69,662
2012	37,521	5,504	43,025
2013	31,269	2,502	33,771
Total	<u>\$ 183,202</u>	<u>\$ 32,918</u>	<u>\$ 216,120</u>

(6) Contractual Agreements

A. Reuse Agreement

In 2002, the City entered into an agreement with BP Products North America, Inc. (BP) to make the site of the former Amoco refinery available for reuse by the City. Under the agreement, BP will make certain infrastructure improvements to the approximate 300 acre former site of the refinery and then lease (\$1 per year for 99 years) the site to the City to be used for the development of a business park. In addition, BP will provide the City with \$11.3 million in funding to assist with the development of the business park. In 2007, the agreement was amended. The amendment restricts the use of funds to construction of site infrastructure, buildings and improvements as well as related maintenance, provided however, that either (a) 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 payment schedule for the remaining funds due under the agreement is as follows:

December 1, 2009	<u>\$ 2,260,000</u>
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CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements
September 30, 2009

B. Special Use Permit

On May 14, 2007 the City approved a Special Use Permit amendment for Lafarge of North America which expanded the existing deep mine permit. The permit included an impact fee of \$200,000 which was to be paid in three installments. \$100,000 was received by the City during the year ended September 30, 2009 which represented the final payment under this agreement.

(7) Interfund Activity

Transfers between funds for the year ended September 30, 2009 were as follows:

	Transfers In:		
	Sugarland TIF	Reuse Agreement	Total
Transfers Out:			
Governmental activities:			
Reuse Agreement	\$ 1,398,711	\$ -	\$ 1,398,711
Certificates of Participation	12,650	1,338,451	1,351,101
Total	\$ 1,411,361	\$ 1,338,451	\$ 2,749,812

Transfers related primarily to (1) the Certificates of Participation Fund transferred funds to the Reuse Agreement Fund for costs related to the construction of the public safety facility and (2) the Reuse Agreement Fund transferred funds to the Sugarland TIF Fund for project costs related to the redevelopment.

Amount due to/due from other funds as of September 30, 2009 were as follows:

	Due to:		
	General Fund	Nonmajor Governmental	Total
Due from:			
Governmental activities:			
General Fund	\$ -	\$ 6,646	\$ 6,646
Reuse Agreement	392,524	117,520	510,044
Nonmajor governmental	-	6,112	6,112
Total governmental activities	392,524	130,278	522,802
Business-type activities:			
Sanitary Sewer Fund	175,200	-	175,200
Sanitation Fund	-	50,000	50,000
Total business-type activities	175,200	50,000	225,200
Total	\$ 567,724	\$ 180,278	\$ 748,002

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements
September 30, 2009

Interfund balances regarding the Sanitary Sewer Fund were used to pay for certain capital outlay expenses in prior years. Management does not believe this balance will be liquidated within the next operating cycle. Interfund balances regarding the Sanitation Fund represent an advance from the Capital Improvement Fund for short-term operational needs. Interfund balances regarding the Reuse Agreement Fund were used to fund amounts related to the public safety facility construction and the Sugarland TIF redevelopment. Other interfund balances represent certain taxes collected by the General Fund and sales tax funds that are payable to the Lafarge TIF fund to service the related TIF developer obligation.

(8) Capital Assets

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

	September 30, 2008	Additions	Retirements	September 30, 2009
Governmental activities:				
Capital assets, not being depreciated				
Land and land rights	\$ 1,914,337	\$ -	\$ -	\$ 1,914,337
Construction in progress	3,640,682	771,242	4,411,924	-
Total capital assets, not being depreciated	5,555,019	771,242	4,411,924	1,914,337
Capital assets, being depreciated				
Buildings	1,402,649	4,443,904	-	5,846,553
Equipment and vehicles	2,269,265	468,104	88,199	2,649,170
Office equipment	338,228	112,183	21,075	429,336
Infrastructure	4,030,977	-	-	4,030,977
Total capital assets being depreciated	8,041,119	5,024,191	109,274	12,956,036
Less accumulated depreciation for:				
Buildings	(962,858)	(148,663)	-	(1,111,521)
Equipment and vehicles	(1,795,267)	(152,483)	(88,199)	(1,859,551)
Office equipment	(257,506)	(31,888)	(21,075)	(268,319)
Infrastructure	(2,621,064)	(80,620)	-	(2,701,684)
Total accumulated depreciation	(5,636,695)	(413,654)	(109,274)	(5,941,075)
Total capital assets being depreciated, net	2,404,424			7,014,961
Governmental activities capital assets, net	\$ 7,959,443			\$ 8,929,298
	September 30, 2008	Additions	Retirements	September 30, 2009
Business-type activities:				
Capital assets, being depreciated				
Equipment and vehicles	\$ 640,497	\$ 10,020	\$ -	\$ 650,517
Sewer and water lines	2,189,838	-	-	2,189,838
Total capital assets being depreciated	2,830,335	10,020	-	2,840,355
Less accumulated depreciation for:				
Equipment and vehicles	(453,569)	(25,501)	-	(479,070)
Sewer and water lines	(1,429,265)	(27,424)	-	(1,456,689)
Total accumulated depreciation	(1,882,834)	(52,925)	-	(1,935,759)
Total capital assets being depreciated, net	947,501			904,596
Business-type activities capital assets, net	\$ 947,501			\$ 904,596

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements September 30, 2009

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

Governmental activities	
General administration	\$ 12,412
Public safety	206,927
Streets and public works	176,421
Parks and recreation	17,894
Total depreciation expense for governmental activities	\$ 413,654
Business-type activities	
Water	\$ 9,476
Sewer	29,409
Sanitation	14,040
Total depreciation expense for business-type activities	\$ 52,925

(9) Long Term Debt

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

	September 30, 2008	Additions	Retirements	September 30, 2009	Due Within One Year
Governmental Activities:					
* Compensated absences	\$ 121,196	\$ 213,148	\$ 206,156	\$ 128,188	\$ 128,188
Other post employment benefits	-	21,727	-	21,727	-
Certificates of participation	-	2,690,000	-	2,690,000	90,000
Discount on issuance	-	(75,562)	(1,147)	(74,415)	(3,058)
Developer agreement - LaFarge TIF	1,676,537	-	58,574	1,617,963	24,317
Subtotal	1,797,733	2,849,313	263,583	4,383,463	239,447
Sugarland TIF: (See Note 9 C)					
Reimbursable costs	-	1,851,698	-	1,851,698	-
City payments and advances	-	-	1,257,230	(1,257,230)	270,000
Sugarland TIF total	-	1,851,698	1,257,230	594,468	270,000
Total	\$ 1,797,733	\$ 4,701,011	\$ 1,520,813	\$ 4,977,931	\$ 509,447
Business-type Activates:					
Compensated absences	\$ 2,733	\$ 5,277	\$ 4,874	\$ 3,136	\$ 3,136
Other post employment benefits	-	776	-	776	-
Total	\$ 2,733	\$ 6,053	\$ 4,874	\$ 3,912	\$ 3,136

* Primarily liquidated by the General fund in prior years.

A. Certificates of Participation

During fiscal year 2009, the City issued \$2,690,000 Certificates of Participation for the purposes of financing the costs of certain improvements related to the City's public safety facility. Principal and interest payments are due semi-annually beginning on February 1, 2010 through February 1, 2034 with interest rates ranging from 3.75% to 6.0%.

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements
September 30, 2009

B. Developer Agreement – 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.

At September 30, 2009, the total obligation under this agreement was \$1,617,963. 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 \$121,282. Incremental revenues from the City were \$96,117 in sales taxes, property taxes, and franchise taxes. The remaining funds necessary to meet the current year debt service requirements were derived from incremental tax revenues from other taxing districts and governmental entities.

C. Developer Agreement – Sugarland TIF

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. Developer's reimbursable project costs are to be funded with payments in lieu of taxes (PILOTS), economic activity taxes (EATS), Community Improvement District (CID) sales taxes (if established), or the proceeds of TIF bonds. As of September 30, 2009, the project development is basically on hold and no PILOTS, EATS, or CID taxes have been collected. In addition, the City has been unable to issue any TIF bonds as originally contemplated in the agreement.

In addition to funding described in the preceding paragraph, the City has also pledged its tax revenues collected within the redevelopment area (the City supplemental TIF). The City has also pledged "City Interim Funds" to assist with acquisition of property and costs associated with the public improvements. City Interim Funds are to be paid from City sales taxes, provided the use is limited to public purposes for which the taxes are authorized by law, as well as from other sources. City supplemental TIF revenues and City Interim Funds will only be paid to the extent there is a shortfall in amounts otherwise available pursuant to the agreement. In no event shall the City Interim Funds, subject to annual appropriation, exceed \$270,000 in any fiscal year. In no event shall the other sources portion of the City Interim Funds in total exceed \$5,000,000. This portion of the City Interim Funds is to be used for the acquisition of property associated with the redevelopment.

The City entered into a sales tax pledge escrow agreement, as amended, whereby the \$270,000 sales tax portion or other sources of the City's Interim Funds was pledged as collateral security for a \$2,000,000 bridge loan obtained by the Developer in relation to the redevelopment project. In accordance with this agreement the City paid \$540,000 into an escrow fund which represented the City Interim Funds for 2008 and 2009. The Developer was in default on the loan and these amounts were disbursed from the escrow fund and applied against the outstanding loan balance in accordance with the collateral agreement.

As of September 30, 2009, the City (\$728,492) and its consultant (\$1,123,206) certified reimbursable project costs under the Sugarland TIF totaled \$1,851,698.

During the year, the City made certain payments to assist in continuing the development project totaling \$1,257,230; \$540,000 was related the sales tax pledge escrow agreement as described above and \$717,230 for other uncertified project related costs that were paid to or on behalf of the Developer.

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements
September 30, 2009

Property Held for Redevelopment

During 2007 and 2008, the City acquired various properties associated with the implementation of the Sugarland TIF redevelopment plan. In accordance with the redevelopment agreement, the properties are to be conveyed to the Developer. During the year ended September 30, 2009, properties totaling \$83,771 were conveyed to the Developer.

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 the City plus any reasonable costs incurred by the Developer related to work actually performed on the properties. The Developer has pledged certain property as collateral for the developer loan discussed above.

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

	Beginning	Additions	Reductions	Ending
Property Held for Redevelopment	\$ 712,490	\$ -	\$ 83,771	\$ 628,719

D. Future Debt Service Requirements

The estimated annual payments required to retire the Certificates of Participation and Developer Agreement - LaFarge TIF are as follows:

	Certificates of Participation		Developer Agreement - LaFarge TIF		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 90,000	\$ 177,163	\$ 24,317	\$ 132,296	\$ 114,317	\$ 309,459
2011	55,000	142,593	62,588	94,025	117,588	236,618
2012	55,000	140,531	66,281	90,332	121,281	230,863
2013	60,000	138,375	70,192	86,422	130,192	224,797
2014	60,000	136,125	74,333	82,281	134,333	218,406
2015-2019	340,000	637,625	442,860	340,208	782,860	977,833
2020-2024	430,000	538,625	589,855	193,212	1,019,855	731,837
2025-2029	570,000	398,750	287,537	25,690	857,537	424,440
2030-2034	1,030,000	192,000	-	-	1,030,000	192,000
Totals	\$ 2,690,000	\$ 2,501,787	\$ 1,617,963	\$ 1,044,466	\$ 4,307,963	\$ 3,546,253

(10) 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, 2009, the City's portion of the shared costs was \$395,790.

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements
September 30, 2009

(11) 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.

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 5.0% (general), 0.4% (police), and 0.4% (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

For 2009, the City's annual pension cost of \$73,932 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2007 and/or February 29, 2008 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2009 included (a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually; (b) projected salary increases of 4.0% 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 the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women; and (e) post-retirement mortality based on the 1971 Group Annuity Mortality table projected to 2000 set back one year for men and seven years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at February 28, 2009 was fifteen years.

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>
6/30/2007	\$ 101,084	100%	\$ -
6/30/2008	88,405	100%	-
6/30/2009	73,932	100%	-

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements

September 30, 2009

Funded Status and Funding Progress

As of February 28, 2009, which represents the most recent actuarial valuation date, the actuarial accrued liability for benefits within the plan for the City was \$4,836,292. The actuarial value of assets was \$5,269,909, which results in an excess funding of the actuarial accrued liability (AAL) of \$433,617 and a funded ratio of 109 percent. The covered payroll (annual payroll of active employees covered by the plan) was \$2,225,132, which results in a ratio of the excess funding of the AAL to the covered payroll of 19 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.

(12) 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 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.

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.

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements
September 30, 2009

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total Primary Government</u>
Annual required contribution	\$ 21,727	\$ 776	\$ 22,503
Interest on net OPEB obligation	-	-	-
Adjustment to annual required contribution	-	-	-
Annual OPEB cost (expense)	<u>21,727</u>	<u>776</u>	<u>22,503</u>
Less: Net employer contributions	-	-	-
Increase in net OPEB obligation	<u>\$ 21,727</u>	<u>\$ 776</u>	<u>\$ 22,503</u>
Net OPEB obligation - September 30, 2009	<u>\$ 21,727</u>	<u>\$ 776</u>	<u>\$ 22,503</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, 2009 is as follows:

	<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
Governmental Activities:				
	9/30/2009	\$ 21,727	0.0%	\$ 21,727
Business-Type Activities:				
	9/30/2009	\$ 776	0.0%	\$ 776

Funded Status and Funding Progress

As of July 1, 2007, which represents both the initial and the most recent actuarial valuation date, the actuarial accrued liability for benefits within the plan for the City is \$150,496. 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 \$1,941,032, which results in a ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll of 7.8 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.

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.

CITY OF SUGAR CREEK, MISSOURI

Notes to the Basic Financial Statements
September 30, 2009

The projected unit credit actuarial cost method is used in the July 1, 2007 initial actuarial valuation. At this initial valuation date, 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 6.0 percent investment rate of return. The actuarial assumptions for healthcare cost trend is a growth factor of 9.0 percent for the first year and then declining by 0.5 percent per year until 6.0 percent is reached. The 6.0 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.

(13) 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. 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, 2009

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, 2009, the aggregate principal amount payable on the bonds was \$150,000,000.

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 2009, the City amended the agreement to extend expiration of the purchase option through February 2012. 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 \$147,000 as of September 30, 2009.

F. Contractual Commitment

As of September 30, 2009, the City has outstanding construction commitments of approximately \$3,000,000 related to road construction. This construction will be funded through federal grants provided by the Missouri Department of Transportation, as well as interlocal agreements with Kansas City, Missouri and Independence, Missouri.

CITY OF SUGAR CREEK, MISSOURI

Required Supplementary Information

September 30, 2009

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 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.

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, 2009

	2009			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 3,221,735	\$ 3,302,035	\$ 3,101,675	\$ (200,360)
Intergovernmental revenues	6,000	6,000	16,923	10,923
Rentals	44,225	44,225	51,643	7,418
Fines and forfeitures	157,875	157,875	144,233	(13,642)
Payment in lieu of taxes	24,280	24,280	24,280	-
Contractual agreements	184,000	184,000	254,629	70,629
Licenses, permits, and fees	103,845	103,845	88,798	(15,047)
Interest	45,750	45,750	37,162	(8,588)
Charges for services	32,800	32,800	27,723	(5,077)
Other	66,817	81,817	28,487	(53,330)
Total Revenues	3,887,327	3,982,627	3,775,553	(207,074)
Expenditures:				
General administration	1,330,074	1,330,074	1,275,119	54,955
Public safety	1,722,747	1,722,747	1,751,866	(29,119)
Streets and public works	753,153	802,553	751,313	51,240
Parks and recreation	280,083	325,083	282,448	42,635
Total Expenditures	4,086,057	4,180,457	4,060,746	119,711
Excess of Revenues Over (Under) Expenditures	(198,730)	(197,830)	(285,193)	(87,363)
Other Financing Sources (Uses):				
Transfers in	42,757	42,757	-	(42,757)
Total Other Financing Sources (Uses)	42,757	42,757	-	(42,757)
Change in fund balance	\$ (155,973)	\$ (155,073)	(285,193)	\$ (130,120)
Fund Balances, Beginning of Year			3,350,319	
Fund Balances, End of Year			\$ 3,065,126	

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

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, 2009

	2009			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Contractual agreements	\$ 500	\$ 500	\$ 974	\$ 474
Interest	11,000	11,000	1,931	(9,069)
Total Revenues	<u>11,500</u>	<u>11,500</u>	<u>2,905</u>	<u>(8,595)</u>
Expenditures:				
Economic development	1,765,916	1,792,916	987,839	805,077
Total Expenditures	<u>1,765,916</u>	<u>1,792,916</u>	<u>987,839</u>	<u>805,077</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,754,416)</u>	<u>(1,781,416)</u>	<u>(984,934)</u>	<u>796,482</u>
Other Financing Sources (Uses):				
Transfers in	363,305	1,523,754	1,338,451	(185,303)
Transfers out	(247,000)	(549,300)	(1,398,711)	(849,411)
Total Other Financing Sources (Uses)	<u>116,305</u>	<u>974,454</u>	<u>(60,260)</u>	<u>(1,034,714)</u>
Change in fund balance	<u>\$ (1,638,111)</u>	<u>\$ (806,962)</u>	(1,045,194)	<u>\$ (238,232)</u>
Fund Balances, Beginning of Year			<u>516,966</u>	
Fund Balances (Deficit), End of Year			<u>\$ (528,228)</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, 2009

Employees Retirement System

Fiscal year	Actuarial valuation date	(a) Actuarial value of assets	(b) Entry age 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
9/30/2007	2/28/2007	\$ 5,639,128	\$ 4,217,191	\$ (1,421,937)	134%	\$ 2,026,300	-70%
9/30/2008	2/29/2008	6,273,432	4,670,199	(1,603,233)	134%	2,152,685	-74%
9/30/2009	2/28/2009	5,269,909	4,836,292	(433,617)	109%	2,225,132	-19%

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, 2006 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) Entry age actuarial accrued liability	(b) - (a) Unfunded 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%

**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.

State Gasoline Tax Fund – used to account for the City's share of motor vehicle fuel, sales and license tax revenues.

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.

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

CITY OF SUGAR CREEK, MISSOURI
Combining Balance Sheet - Non-major Governmental Funds
September 30, 2009

	Special Revenue Funds			Capital Projects Funds		Debt Service Fund	Totals
	State Gasoline Tax	Public Health	Combined Sales Tax Funds	Capital Improvement	Revolving Improvement	Lafarge TIF	
Assets							
Pooled cash and equivalents	\$ 94,244	\$ 743,993	\$ 941,105	\$ 174,850	\$ 58,881	\$ 27,074	\$ 2,040,147
Receivables:							
Taxes	-	13,912	42,320	-	-	-	56,232
Special assessments	-	-	-	-	3,744	-	3,744
Accrued interest	32	1,942	789	92	91	-	2,946
Due from other governments	167,163	-	-	-	-	14,326	181,489
Due from other funds	-	-	-	117,520	50,000	12,758	180,278
Total Assets	\$ 261,439	\$ 759,847	\$ 984,214	\$ 292,462	\$ 112,716	\$ 54,158	\$ 2,464,836
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	\$ 139,766	\$ -	\$ 6,759	\$ -	\$ -	\$ -	\$ 146,525
Due to other funds	-	-	6,112	-	-	-	6,112
Deferred revenue	14,696	-	-	-	3,744	-	18,440
Total Liabilities	154,462	-	12,871	-	3,744	-	171,077
Fund balances:							
Reserved for:							
Debt service	-	-	-	-	-	54,158	54,158
Unreserved							
Special Revenue	106,977	759,847	971,343	-	-	-	1,838,167
Capital Projects	-	-	-	292,462	108,972	-	401,434
Total Fund Balances	106,977	759,847	971,343	292,462	108,972	54,158	2,293,759
Total Liabilities and Fund Balances	\$ 261,439	\$ 759,847	\$ 984,214	\$ 292,462	\$ 112,716	\$ 54,158	\$ 2,464,836

CITY OF SUGAR CREEK, MISSOURI
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
Year Ended September 30, 2009

	Special Revenue Funds			Capital Projects Funds		Debt Service Fund	Totals
	State Gasoline Tax	Public Health	Combined Sales Tax Funds	Capital Improvement	Revolving Improvement	Lafarge TIF	
Revenues:							
Taxes	\$ -	\$ 72,555	\$ 279,227	\$ -	\$ -	\$ 96,117	\$ 447,899
Intergovernmental	290,428	-	-	-	-	21,711	312,139
Special assessments	-	-	-	-	4,111	-	4,111
Interest	1,826	17,123	11,236	1,571	923	401	33,080
Other	-	1,340	-	-	-	-	1,340
	<u>292,254</u>	<u>91,018</u>	<u>290,463</u>	<u>1,571</u>	<u>5,034</u>	<u>118,229</u>	<u>798,569</u>
Expenditures:							
Current:							
General administration	-	1,212	88,302	-	46	489	90,049
Streets and public works	455,019	-	145,792	-	-	-	600,811
Health and welfare	-	6,774	-	-	-	-	6,774
Parks and recreation	-	-	64,272	-	-	-	64,272
Debt service:							
Principal	-	-	-	-	-	58,574	58,574
Interest and fiscal charges	-	-	-	-	-	62,708	62,708
	<u>455,019</u>	<u>7,986</u>	<u>298,366</u>	<u>-</u>	<u>46</u>	<u>121,771</u>	<u>883,188</u>
Excess of Revenues							
Over (Under) Expenditures	(162,765)	83,032	(7,903)	1,571	4,988	(3,542)	(84,619)
Fund Balances, Beginning of Year	269,742	676,815	979,246	290,891	103,984	57,700	2,378,378
Fund Balances, End of Year	<u>\$ 106,977</u>	<u>\$ 759,847</u>	<u>\$ 971,343</u>	<u>\$ 292,462</u>	<u>\$ 108,972</u>	<u>\$ 54,158</u>	<u>\$ 2,293,759</u>

CITY OF SUGAR CREEK, MISSOURI
Combining Balance Sheet - Non-major Sales Tax Funds
September 30, 2009

	Capital Improvement Sales Tax	Parks and Recreation Sales Tax	Stormwater Sales Tax	Totals
Assets				
Pooled cash and equivalents	\$ 517,156	\$ 233,164	\$ 190,785	\$ 941,105
Receivables:				
Taxes	21,160	10,580	10,580	42,320
Accrued interest	380	7	402	789
Total Assets	\$ 538,696	\$ 243,751	\$ 201,767	\$ 984,214
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ 5,530	\$ 1,229	\$ 6,759
Due to other funds	3,056	1,528	1,528	6,112
Total Liabilities	3,056	7,058	2,757	12,871
Fund balances:				
Unreserved	535,640	236,693	199,010	971,343
Total Fund Balances	535,640	236,693	199,010	971,343
Total Liabilities and Fund Balances	\$ 538,696	\$ 243,751	\$ 201,767	\$ 984,214

CITY OF SUGAR CREEK, MISSOURI
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Sales Tax Funds
Year Ended September 30, 2009

	Capital Improvement Sales Tax	Parks and Recreation Sales Tax	Stormwater Sales Tax	Totals
Revenues:				
Taxes	\$ 139,613	\$ 69,807	\$ 69,807	\$ 279,227
Interest	4,067	3,272	3,897	11,236
	<u>143,680</u>	<u>73,079</u>	<u>73,704</u>	<u>290,463</u>
Expenditures:				
Current:				
General administration	-	-	88,302	88,302
Streets and public works	145,792	-	-	145,792
Parks and recreation	-	64,272	-	64,272
	<u>145,792</u>	<u>64,272</u>	<u>88,302</u>	<u>298,366</u>
Excess of Revenues Over (Under) Expenditures	(2,112)	8,807	(14,598)	(7,903)
Fund Balances, Beginning of Year	<u>537,752</u>	<u>227,886</u>	<u>213,608</u>	<u>979,246</u>
Fund Balances, End of Year	<u>\$ 535,640</u>	<u>\$ 236,693</u>	<u>\$ 199,010</u>	<u>\$ 971,343</u>

CITY OF SUGAR CREEK, MISSOURI
State Gasoline Tax Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended September 30, 2009

	2009		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Intergovernmental	\$ 166,000	\$ 166,000	\$ 290,428	\$ 124,428
Interest	6,000	6,000	1,826	(4,174)
Total Revenues	<u>172,000</u>	<u>172,000</u>	<u>292,254</u>	<u>120,254</u>
Expenditures:				
Streets and public works	315,560	322,560	455,019	(132,459)
Total Expenditures	<u>315,560</u>	<u>322,560</u>	<u>455,019</u>	<u>(132,459)</u>
Excess of Revenues Over Expenditures	<u>\$ (143,560)</u>	<u>\$ (150,560)</u>	(162,765)	<u>\$ (12,205)</u>
Fund Balance, Beginning of Year			<u>269,742</u>	
Fund Balance, End of Year			<u>\$ 106,977</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, 2009

	2009		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Taxes	\$ 68,173	\$ 68,173	\$ 72,555	\$ 4,382
Interest	21,755	21,755	17,123	(4,632)
Other	-	-	1,340	1,340
Total Revenues	<u>89,928</u>	<u>89,928</u>	<u>91,018</u>	<u>1,090</u>
Expenditures:				
General administration	1,245	1,245	1,212	33
Health and welfare	65,000	65,000	6,774	58,226
Total Expenditures	<u>66,245</u>	<u>66,245</u>	<u>7,986</u>	<u>58,259</u>
Excess of Revenues Over Expenditures	<u>\$ 23,683</u>	<u>\$ 23,683</u>	83,032	<u>\$ 59,349</u>
Fund Balance, Beginning of Year			<u>676,815</u>	
Fund Balance, End of Year			<u>\$ 759,847</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, 2009

	2009		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Taxes	\$ 166,000	\$ 166,000	\$ 139,613	\$ (26,387)
Interest	3,900	3,900	4,067	167
Total Revenues	<u>169,900</u>	<u>169,900</u>	<u>143,680</u>	<u>(26,220)</u>
Expenditures:				
Streets and public works	456,615	456,615	145,792	310,823
Total Expenditures	<u>456,615</u>	<u>456,615</u>	<u>145,792</u>	<u>310,823</u>
Excess of Revenues Over Expenditures	<u>\$ (286,715)</u>	<u>\$ (286,715)</u>	(2,112)	<u>\$ 284,603</u>
Fund Balance, Beginning of Year			<u>537,752</u>	
Fund Balance, End of Year			<u>\$ 535,640</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, 2009

	2009		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Taxes	\$ 99,000	\$ 99,000	\$ 69,807	\$ (29,193)
Intergovernmental	57,000	57,000	-	(57,000)
Interest	3,275	3,275	3,272	(3)
Total Revenues	<u>159,275</u>	<u>159,275</u>	<u>73,079</u>	<u>(86,196)</u>
Expenditures:				
Parks and recreation	206,000	206,000	64,272	141,728
Total Expenditures	<u>206,000</u>	<u>206,000</u>	<u>64,272</u>	<u>141,728</u>
Excess of Revenues Over Expenditures	<u>\$ (46,725)</u>	<u>\$ (46,725)</u>	8,807	<u>\$ 55,532</u>
Fund Balance, Beginning of Year			<u>227,886</u>	
Fund Balance, End of Year			<u>\$ 236,693</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, 2009

	2009		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Taxes	\$ 99,000	\$ 99,000	\$ 69,807	\$ (29,193)
Interest	3,500	3,500	3,897	397
Total Revenues	<u>102,500</u>	<u>102,500</u>	<u>73,704</u>	<u>(28,796)</u>
Expenditures:				
General administration	-	45,200	88,302	(43,102)
Excess of Revenues Over Expenditures	<u>\$ 102,500</u>	<u>\$ 57,300</u>	(14,598)	<u>\$ (71,898)</u>
Fund Balance, Beginning of Year			<u>213,608</u>	
Fund Balance, End of Year			<u>\$ 199,010</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, 2009

	2009		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Interest	\$ 6,000	\$ 6,000	\$ 1,571	\$ (4,429)
Total Revenues	<u>6,000</u>	<u>6,000</u>	<u>1,571</u>	<u>(4,429)</u>
Expenditures:	-	-	-	-
Excess of Revenues Over Expenditures	<u>\$ 6,000</u>	<u>\$ 6,000</u>	1,571	<u>\$ (4,429)</u>
Fund Balance, Beginning of Year			<u>290,891</u>	
Fund Balance, End of Year			<u>\$ 292,462</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, 2009

	2009			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Special assessments	\$ 5,078	\$ 5,078	\$ 4,111	\$ (967)
Interest	800	800	923	123
Total Revenues	<u>5,878</u>	<u>5,878</u>	<u>5,034</u>	<u>(844)</u>
Expenditures:				
General administration	100	100	46	54
Total Expenditures	<u>100</u>	<u>100</u>	<u>46</u>	<u>54</u>
Excess of Revenues Over Expenditures	<u>\$ 5,778</u>	<u>\$ 5,778</u>	4,988	<u>\$ (790)</u>
Fund Balance, Beginning of Year			<u>103,984</u>	
Fund Balance, End of Year			<u>\$ 108,972</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, 2009

	2009		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Interest	\$ -	\$ -	\$ 792	\$ 792
Total Revenues	<u>-</u>	<u>-</u>	<u>792</u>	<u>792</u>
Expenditures:				
General administration	-	600	482	118
Debt service	-	60,000	128,578	(68,578)
Total Expenditures	<u>-</u>	<u>60,600</u>	<u>129,060</u>	<u>(68,460)</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (60,600)</u>	<u>(128,268)</u>	<u>\$ (67,668)</u>
Other Financing Sources (Uses):				
Transfers out	-	(1,509,100)	(1,351,101)	157,999
Issuance of certificates of participation	-	-	2,690,000	2,690,000
Original issue discount	-	-	(75,562)	(75,562)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,509,100)</u>	<u>1,263,337</u>	<u>2,772,437</u>
Change in fund balance	<u>\$ -</u>	<u>\$ (1,569,700)</u>	1,135,069	<u>\$ 2,704,769</u>
Fund Balance, Beginning of Year			<u>-</u>	
Fund Balance, End of Year			<u>\$ 1,135,069</u>	

CITY OF SUGAR CREEK, MISSOURI
Lafarge TIF Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended September 30, 2009

	2009			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 93,200	\$ 93,200	\$ 96,117	\$ 2,917
Intergovernmental	40,000	40,000	21,711	(18,289)
Interest	1,700	1,700	401	(1,299)
Total Revenues	<u>134,900</u>	<u>134,900</u>	<u>118,229</u>	<u>(16,671)</u>
Expenditures:				
General government	550	550	489	61
Debt service	132,200	132,200	121,282	10,918
Total Expenditures	<u>132,750</u>	<u>132,750</u>	<u>121,771</u>	<u>10,979</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 2,150</u>	<u>\$ 2,150</u>	(3,542)	<u>\$ (5,692)</u>
Fund Balance, Beginning of Year			<u>57,700</u>	
Fund Balance, End of Year			<u>\$ 54,158</u>	

CITY OF SUGAR CREEK, MISSOURI
Sugarland TIF Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended September 30, 2009

	2009		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Economic development	247,000	1,008,225	1,495,132	(486,907)
Total Expenditures	<u>247,000</u>	<u>1,008,225</u>	<u>1,495,132</u>	<u>(486,907)</u>
Excess of Revenues Over (Under) Expenditures	<u>(247,000)</u>	<u>(1,008,225)</u>	<u>(1,495,132)</u>	<u>(486,907)</u>
Other Financing Sources (Uses):				
Transfers in	657,305	1,371,530	1,411,361	39,831
Transfers out	(363,305)	(363,305)	-	363,305
Total Other Financing Sources (Uses)	<u>294,000</u>	<u>1,008,225</u>	<u>1,411,361</u>	<u>403,136</u>
Change in fund balance	<u>\$ 47,000</u>	<u>\$ -</u>	(83,771)	<u>\$ (83,771)</u>
Fund Balance, Beginning of Year			<u>712,490</u>	
Fund Balance, End of Year			<u>\$ 628,719</u>	

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.

Contents

Tables

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

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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.

Table 1

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental activities						
Invested in capital assets	\$ 4,931,451	4,819,322	4,683,107	4,778,611	7,959,443	7,110,615
Restricted	12,680,228	12,658,780	12,811,432	12,962,934	4,083,654	3,999,319
Unrestricted	1,353,232	1,023,244	1,080,320	1,943,643	3,433,674	1,928,854
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>
Business-type activities	\$					
Invested in capital assets	762,858	870,422	892,075	953,464	947,501	904,596
Unrestricted	942,986	979,691	961,389	833,604	798,688	824,090
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>
Primary government						
Invested in capital assets	\$ 5,694,309	5,689,744	5,575,182	5,732,075	8,906,944	8,015,211
Restricted	12,680,228	12,658,780	12,811,432	12,962,934	4,083,654	3,999,319
Unrestricted	2,296,218	2,002,935	2,041,709	2,777,247	4,232,362	2,752,944
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>

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

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

	2004	2005	2006	2007	2008	2009
Expenses						
Governmental activities:						
General Administration	\$ 1,032,150	1,353,415	1,137,432	1,197,212	1,361,541	1,350,687
Public safety	1,514,973	1,607,577	1,587,582	1,646,199	1,729,300	1,014,227
Public works	2,961,823	1,134,927	946,350	899,069	1,192,799	1,164,936
Health and welfare	2,508	17,866	1,367	23,939	12,504	6,774
Parks & Recreation	393,254	234,737	272,588	298,354	359,177	345,374
Community development	2,307,546	267,851	243,450	345,501	5,303,205	3,077,439
Interest on long-term debt	86,210	100,184	176,859	138,779	126,575	106,906
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>
Business-type activities:						
Water	182,568	224,144	195,438	213,808	216,054	192,704
Sewer	469,931	522,023	508,135	527,598	539,833	558,313
Sanitation	192,847	199,262	210,783	206,987	207,788	206,746
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>
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>
Program Revenues						
Governmental activities:						
Charges for services:						
General Administration	\$ 112,170	136,091	128,730	184,341	170,141	131,274
Public safety	106,404	117,759	170,845	236,037	161,940	150,986
Public works	2,088	6,980	2,318	1,079	179	282
Parks & Recreation	11,961	8,181	8,214	34,534	13,900	29,855
Operating grants and contributions	7,730	3,200	15,361	3,288	5,819	91,923
Capital grants and contributions	35,625	53,883	14,006	-	219,955	29,352
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>
Business-type activities:						
Charges for services:						
Water	159,866	159,858	159,464	159,554	157,638	200,272
Sewer	419,997	422,131	430,539	440,488	488,509	490,421
Sanitation	162,642	163,370	218,308	227,594	230,345	221,868
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>
Total primary government program revenues	<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>
Net (expense)/revenue						
Governmental activities	\$ (8,022,486)	(4,390,463)	(4,026,154)	(4,089,774)	(9,513,167)	(6,632,671)
Business-type activities	(102,841)	55,852	(79,833)	(120,757)	(87,183)	(45,202)
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>
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
Sales and use taxes	505,236	794,998	880,323	1,016,163	754,035	625,473
Gross Receipts Tax	643,264	699,623	633,152	880,986	1,083,598	942,316
Franchise taxes	1,127,351	1,157,054	1,196,464	1,265,227	1,458,309	1,378,238
Other taxes	97,861	85,785	58,492	70,844	54,343	44,304
Intergovernmental	303,718	-	-	-	-	-
Unrestricted grants and contributions	-	326,585	241,966	454,914	210,094	301,809
Investment earnings	139,264	202,736	381,885	496,824	316,752	72,965
Miscellaneous	154,392	30,474	30,848	74,272	198,128	29,897
Contractual agreements	101,036	72,051	66,993	313,193	445,970	155,602
Special Item -Legal settlement	2,834,046	-	-	-	-	-
Gain on Sale of Capital Assets	-	-	-	-	143,384	-
Transfers	-	(35,656)	-	-	-	-
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>
Business-type activities:						
Investment earnings	24,598	52,761	83,184	54,361	46,304	27,699
Transfers	-	35,656	-	-	-	-
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>
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>
Changes in Net Assets						
Governmental activities	\$ (1,608,679)	(463,565)	73,513	1,110,329	(4,208,417)	(2,437,983)
Business-type activities	(78,243)	144,269	3,351	(66,396)	(40,879)	(17,503)
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>

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

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved	\$ 667,868	696,307	519,189	669,783	665,230	426,373	319,906	299,883	312,446	692,683
Unreserved	1,991,666	1,835,757	2,039,985	1,766,536	2,337,351	2,251,582	2,133,459	2,307,597	3,037,873	2,372,443
Total General Fund	<u>\$ 2,659,534</u>	<u>2,532,064</u>	<u>2,559,174</u>	<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>
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
Unreserved, reported in:										
Special revenue funds	310,875	382,259	412,144	450,071	545,573	533,127	954,723	1,552,008	1,925,803	1,309,939
Capital project funds	113,165	163,711	134,567	466,067	162,198	207,527	277,890	360,537	394,875	401,434
Total all other governmental funds	<u>\$ 424,040</u>	<u>545,970</u>	<u>546,711</u>	<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>

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
Taxes	\$ 2,525,201	2,137,433	2,265,234	2,473,092	2,821,255	3,287,277	3,376,463	3,806,557	4,103,935	3,549,574
Intergovernmental	267,018	411,781	322,068	486,181	339,343	334,022	265,826	434,397	191,868	329,062
Licenses, fees and permits	73,050	121,452	180,083	94,213	80,498	106,381	91,943	136,980	124,480	88,798
Rentals	33,798	51,408	50,343	53,812	43,792	44,871	45,704	63,328	51,896	51,643
Fines, forfeitures, and court costs	124,824	122,073	111,187	100,140	106,404	117,759	167,608	231,584	161,070	144,233
Payment in lieu of taxes	20,938	21,595	21,004	21,625	22,213	46,446	37	23,806	24,040	24,280
Special Assessments	10,150	2,571	6,680	2,548	-	2,480	3,694	3,466	355	4,111
Contractual agreements	-	-	-	2,961,000	2,246,036	1,207,051	1,196,993	113,193	3,935,970	255,603
Interest	163,529	147,960	90,787	103,768	139,264	202,736	381,885	496,824	316,755	72,965
Charges for services	8,059	10,868	5,453	4,020	1,929	-	4,852	24,098	8,715	27,723
Reimbursements	-	109,894	74,240	101,255	18,765	-	-	-	-	-
Donations	-	-	-	1,000	7,730	3,200	5,470	-	-	-
Miscellaneous	45,386	31,103	61,873	26,226	152,127	30,474	33,640	74,272	197,773	29,827
Total revenues	<u>3,271,953</u>	<u>3,168,138</u>	<u>3,188,952</u>	<u>6,428,880</u>	<u>5,979,356</u>	<u>5,382,697</u>	<u>5,574,115</u>	<u>5,408,505</u>	<u>9,116,857</u>	<u>4,577,819</u>
Expenditures										
General government	1,051,394	1,199,540	1,167,665	1,494,262	1,012,335	1,321,292	1,131,548	1,262,426	1,373,739	1,365,650
Public safety	1,221,001	1,028,375	1,106,031	1,176,177	1,464,261	1,601,983	1,552,944	1,626,709	5,082,303	1,751,866
Streets and Public works	841,710	724,074	703,190	681,779	2,939,033	1,007,843	810,910	763,297	1,033,326	1,352,124
Economic development	-	-	-	150,200	270,698	267,851	243,450	607,364	5,303,205	2,482,971
Health and welfare	14,211	59,453	13,998	54,623	2,508	17,866	1,367	23,939	12,504	6,774
Parks and recreation	138,552	162,236	170,217	357,674	380,180	244,934	272,602	282,922	348,407	346,720
Debt Service										
Principal	-	-	-	-	-	-	17,737	188,292	150,822	58,574
Interest	-	-	-	-	-	-	312,263	161,708	105,178	191,286
Total expenditures	<u>3,266,868</u>	<u>3,173,678</u>	<u>3,161,101</u>	<u>3,914,715</u>	<u>6,069,015</u>	<u>4,461,769</u>	<u>4,342,821</u>	<u>4,916,657</u>	<u>13,409,484</u>	<u>7,555,965</u>
Excess of revenues over (under) expenditures	5,085	(5,540)	27,851	2,514,165	(89,659)	920,928	1,231,294	491,848	(4,292,627)	(2,978,146)
Other Financing Sources (Uses)										
Legal Settlement	-	-	-	-	2,834,046	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-	380,883	-
Transfers in	480,000	78,000	-	-	-	150,500	47,779	368,474	8,356,188	2,749,812
Transfers out	(480,000)	(78,000)	-	-	-	(186,156)	(47,779)	(368,474)	(8,356,188)	(2,749,812)
Issuance of Certificates of Participation	-	-	-	-	-	-	-	-	-	2,690,000
Original Issue Discount	-	-	-	-	-	-	-	-	-	(75,562)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,834,046</u>	<u>(35,656)</u>	<u>-</u>	<u>-</u>	<u>380,883</u>	<u>2,614,438</u>
Net change in fund balances	\$ <u>5,085</u>	<u>(5,540)</u>	<u>27,851</u>	<u>2,514,165</u>	<u>2,744,387</u>	<u>885,272</u>	<u>1,231,294</u>	<u>491,848</u>	<u>(3,911,744)</u>	<u>(363,708)</u>
Debt service as a percentage of non capital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	7.85%	7.72%	2.63%	4.05%

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>
2000	\$ 910,108	\$ 771,671	\$ 458,591	\$ 304,387	\$ 80,444	\$ 2,525,201
2001	967,926	352,163	469,447	298,116	49,781	2,137,433
2002	867,185	564,471	455,327	321,647	56,604	2,265,234
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	644,086	625,473	44,304	3,549,574

Table 6

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

Receipts by Tax Type	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Electrical	\$ 701,775	\$ 658,431	\$ 639,457	\$ 775,983	\$ 848,334	\$ 874,650	\$ 909,204	\$ 950,601	\$ 974,684	\$ 883,949
Gas	103,185	203,998	119,782	148,336	174,751	177,176	181,380	174,982	185,175	178,556
Telephone	89,551	89,185	92,385	80,470	49,885	66,620	64,944	66,984	394,975	213,536
Cable	15,597	16,313	15,560	16,544	16,498	15,876	15,526	18,318	16,987	17,354
Total	\$ 910,108	\$ 967,927	\$ 867,184	\$ 1,021,333	\$ 1,089,468	\$ 1,134,322	\$ 1,171,054	\$ 1,210,885	\$1,571,821	\$ 1,293,395

Source- City Revenue Reports

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				
2000	1999	\$ N/A	\$ N/A	\$ N/A	\$ 28,775,700	\$ 11,706,510	\$ 2,093,308	\$ 42,575,518	\$ 1.0800	\$ 178,723,415	23.82%
2001	2000	N/A	N/A	N/A	29,451,389	11,774,796	1,587,659	42,813,844	1.0830	180,565,892	23.71%
2002	2001	15,502,852	63,253	13,948,775	29,514,880	11,467,224	1,502,375	42,484,479	1.0923	164,842,018	25.77%
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	1.0685	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%

Note: The Jackson County Assessor's Office did not start breaking out the Real Property into Residential, Agricultural, and Commercial until 2001. Before Jackson County broke out Residential, Agricultural, and Commercial an average of the % was used to Calculate Total Taxable assessed value. 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

Table 8

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	
2000	1999	\$ 0.950	\$ 0.130	\$ 1.080	\$ 4.420	\$ 4.460	\$ 1.103	\$ 0.030	\$ 11.093
2001	2000	0.953	0.130	1.083	4.420	4.460	1.103	0.030	11.096
2002	2001	0.962	0.130	1.092	4.410	4.460	1.103	0.030	11.095
2003	2002	0.962	0.130	1.092	4.359	5.190	1.107	0.030	11.778
2004	2003	0.941	0.127	1.069	4.359	5.190	1.107	0.030	11.754
2005	2004	0.941	0.127	1.069	4.959	5.190	1.107	0.030	12.354
2006	2005	0.941	0.127	1.069	4.959	5.190	1.060	0.030	12.307
2007	2006	0.941	0.127	1.069	4.912	5.084	1.052	0.030	12.147
2008	2007	0.941	0.127	1.069	4.910	5.084	1.061	0.030	12.153
2009	2008	0.970	0.130	1.100	5.381	5.280	1.060	0.030	12.851

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	\$ 0.1556
General Fund	0.1544
Road & Bridge Fund	0.1410
Park Fund	0.0920
Mid-Continent Public Library	0.3200
Handicap	0.0748
Mental Health	0.1218
Total County	\$ <u>1.0596</u>

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	2009			2000		
	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	\$ 6,266,848	1	12.66%	\$ 6,197,474	1	14.56%
BP Products/Amoco	4,666,521	2	9.42%	4,962,977	2	11.66%
Kansas City Power & Light	2,543,155	3	5.14%	-	-	-
LaFarge Corporation	2,017,687	4	4.07%	2,138,044	3	5.02%
Courtney Ridge Landfill	1,653,415	5	3.34%	613,303	6	1.44%
APAC Kansas	1,275,975	6	2.58%	1,038,185	4	2.44%
Davidson Trustee	586,678	7	1.18%	292,701	8	0.69%
Love Box Co	341,973	8	0.69%	-	-	-
Waste Management of MO. Inc	300,190	9	0.61%	247,352	9	0.58%
Lanard Toys	234,443	10	0.47%	-	-	-
Asphalt Plant Sales	-	-	-	362,904	7	0.85%
Davidson Mary Ann - Trustee	-	-	-	189,977	10	0.44%
Limpus Quarries	-	-	-	894,936	5	2.11%
Total	\$ <u>19,886,885</u>		<u>40.16%</u>	\$ <u>16,937,853</u>		<u>39.79%</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,	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
2000	\$ 438,763	\$ 423,754	96.58%	\$ 15,009	\$ 438,763	100.00%
2001	447,615	424,165	94.76%	23,292	447,457	99.96%
2002	443,164	425,582	96.03%	15,502	441,084	99.53%
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%	-	481,679	90.73%

City of Sugar Creek
Direct and Overlapping Governmental Activities Debt
As of September 30, 2009

<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	\$ 112,090,000	23.00%	\$ - 25,780,700
Fort Osage Reorganized #1 School District (as of June 30)	35,935,000	3.00%	- 1,078,050
Subtotal, overlapping debt			<u>26,858,750</u>
City direct debt			<u>-</u>
Total direct and overlapping debt			<u>\$ 26,858,750</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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt Limit (1)	\$ 8,515,104	8,562,769	8,499,174	8,781,583	9,367,015	9,395,749	9,698,933	9,835,254	10,183,469	9,903,756
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 8,515,104	8,562,769	8,499,174	8,781,583	9,367,015	9,395,749	9,698,933	9,835,254	10,183,469	9,903,756
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 2009

Assessed Value	\$ 49,518,778
Debt Limit (20% of assessed value)	9,903,756
Total net debt applicable to limit	-
Legal debt margin	\$ 9,903,756

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, constructing, 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 (2)</u>
1999	4,295	\$ 58,129,200	\$ 32,294	\$ 13,534	3.00%
2000	4,213	56,271,600	31,262	13,357	3.00%
2001	3,764	60,246,000	33,470	16,006	3.40%
2002	4,109	64,762,200	35,979	15,761	3.40%
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%

Sources: (1) www.city-data.com

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

Table 14

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

Employer	2009			2000		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
1 Recovery Sales Corporation	120	1	7.76%	300	1	19.40%
2 LaFarge Corporation	105	2	6.79%	113	2	7.31%
3 Menco Royal Inc	35	3	2.26%	43	6	2.78%
4 Midwest Material & Warehouse	32	4	2.07%	-	-	-
5 Wil-Pav Inc	30	5	1.94%	-	-	-
6 Transwood, inc	25	6	1.62%	-	-	-
7 Jones Wholesale Grocer Unit 39	25	6	1.62%	27	10	1.75%
8 British Petroleum/Formerly Amoco	25	6	1.62%	39	7	2.52%
9 Sticks & Stones	20	9	1.29%	-	-	-
10 Metcalf Bank/Formerly American Sterling Bank	18	10	1.16%	105	3	6.79%
11 Sterling Lanes	18	10	1.16%	-	-	-
12 Kross Lounge	18	10	1.16%	30	9	1.94%
APAC	-	-	-	60	4	3.88%
Love Box	-	-	-	50	5	3.23%
Hardees	-	-	-	35	8	2.26%
Total	<u>471</u>		<u>30.47%</u>	<u>802</u>		<u>51.88%</u>

Source: City of Sugar Creek Business License and Mid-America Regional Council.

Table 15

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

Function:

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Administration	10	11	10	11	11	11	11	11	11	11
Public Safety										
Police	14	16	15	16	16	15	16	16	16	16
Dispatch	4	4	6	6	6	6	6	6	6	6
Firefighters	4	4	4	4	5	6	6	6	6	6
Street and Public Works										
Street Maint.	13	15	13	14	17	14	16	16	14	14
Refuse	3	3	3	3	3	3	3	3	3	3
Community Development	2	3	3	3	3	1	1	1	2	1
Parks and Recreation	1	1	1	1	1	1	1	1	2	1

Source: Various City Departments

Table 16

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

Function/Program	2003	2004	2005	2006	2007	2008	2009
Public Safety							
Police							
Physical Arrest	550	727	767	838	1,140	958	795
Traffic violations	1,345	1,142	1,651	1,673	1,861	1,017	992
Park violations	-	3	-	34	9	10	3
Fire							
Number of calls answered	431	474	525	480	536	527	504
Number of inspections covered	-	-	-	391	352	179	249
Water							
Number of customers	1,002	998	1,000	985	979	981	969
Sewer							
Number of customers	1,578	1,573	1,587	1,559	1,549	1529	1508

Note; Information for 2000 through 2002 is not available

Source: Various City Departments

Table 17

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

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Public Safety										
Police										
Police stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	7	10	10	10	10	15	15	16	14	10
Fire										
Fire Stations	1	1	1	1	1	1	1	1	1	1
Public Works										
Total area (square miles)	9.1	9.1	9.5	9.5	9.5	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	240.34	391.63	391.63	391.63	391.63	391.63	391.63	391.63	391.63	391.63
Parks	2	2	2	2	2	2	2	5	5	5
Gymnasium	1	1	1	1	1	1	1	1	1	1
Shelterhouses	1	1	1	1	3	3	3	6	6	6
Ball Fields	7	7	7	7	7	7	7	7	9	9
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
Water										
Water mains (miles)	15	19	19	19	19	19	19	19	19	19
Fire hydrants	84	85	85	85	87	87	87	87	97	98
Sewer										
Number of treatment plants	-	-	-	-	1	1	1	1	1	1
Sewers mains (miles)	20	21	21	21	21	21	21	21	21	21
Number of service connections	1,571	1,573	1,576	1,578	1,573	1,587	1,559	1549	1529	1508

Source: Various City Departments