

CITY OF UNION, MISSOURI

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2009**

CITY OF UNION, MISSOURI

***COMPREHENSIVE ANNUAL
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PREPARED BY THE FINANCE OFFICER

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SECTION I
INTRODUCTORY SECTION

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City of Union

500 EAST LOCUST STREET
UNION, MISSOURI 63084
PHONE: 636-583-3600
FAX: 636-583-4091

October 26, 2009

To the Honorable Mayor, Board of Aldermen, City Administrator, and Citizens of Union:

The comprehensive annual financial report (CAFR) of the City of Union, Missouri, for the fiscal year ending June 30, 2009 is hereby submitted. The report was prepared in conformance with U.S. generally accepted accounting principles (GAAP) and audited in accordance with U.S. generally accepted auditing standards by an independent firm of licensed certified public accountants.

This report is the City's management representations concerning the finances of the City and, therefore, management assumes full responsibility for the completeness and reliability of all information presented in this report. The City's Finance Department prepared this report and believes that the financial statements, supporting schedules, and statistical information fairly present the financial condition of the City. We further believe that all presented data is accurate in all aspects and that all necessary disclosures have been included to enable the reader to gain a reasonable understanding of the City's financial affairs. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed to protect the City's assets from loss, theft, or misuse and to compile sufficient, reliable information for the preparation of the City's financial statements in conformance with GAAP. This internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits require estimates and judgments by management.

The City's financial statements have been audited by Hochschild, Bloom & Company LLP, a firm of licensed certified public accountants. The goal of this independent audit was to provide reasonable assurance that the basic financial statements of the City for the year ended June 30, 2009 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall basic financial statement presentation. The independent auditors concluded, based upon its audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the year ended June 30, 2009 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a MD&A. This letter of transmittal is designed to compliment the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditors' report.

PROFILE OF THE CITY

Incorporated in 1888, the City is the county seat and the second largest city in Franklin County. The City covers approximately 8 square miles and has approximately 9,326 residents. The City is located 45 minutes southwest of the City of St. Louis, Missouri. The City is located in Franklin County with easy access to Interstate Highway 44.

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

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

INFORMATION USEFUL IN ASSESSING THE CITY'S ECONOMIC CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local economy. Once a sleepy rural town 45 minutes southwest of St. Louis, over the past 9 years the City has experienced unprecedented growth in the residential, commercial, and industrial sectors providing a diversified and stable economy.

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

With the addition of a large number of homes, commercial growth has occurred throughout the City. Commercial growth has also occurred due to Franklin County Government investing over \$12 million in the downtown area within the past 4 years with the construction of a Government Center and Judicial Center.

In addition to being the County Seat, the City has long been the industrial center of Franklin County, offering hundreds of job opportunities for its citizens and the region. From plastics manufacturing to the pharmaceutical industry, the City has been able to weather the ebb and flow of the economy by having a diversified economy providing a stable economic environment.

Long-term Financial Planning. The City is currently starting on a new comprehensive plan. The City committed approximately \$59,000 to this project. This new plan will assist the City in determining our course of action for years to come.

The City is currently considering a new park. This park may include public fishing access, construction of picnic facilities, trails, and sport fields; and other amenities. No estimates for the cost of the park have been established. Staff is currently researching funding options which may include available grant programs.

The City is currently expanding the East Denmark Wastewater Treatment Plant and a lift station near Highway 47 South. The source of funding for this project is through the State Revolving Fund (SRF). The City committed approximately \$4,500,000 to these project.

Cash Management Policies and Practices. Cash temporarily idle during the fiscal year was invested in certificates of deposit. The average yield on investments was 2.37%.

Risk Management. The City is exposed to a variety of accidental losses and has a risk management strategy that attempts to minimize losses and the cost of insurance. Risk control techniques have been established to reasonably assure that City employees are aware of their responsibilities regarding loss exposures related to their duties. Supervisory personnel are responsible for monitoring risk control techniques and conducting safety awareness programs, etc., on an operation basis. Coordination of risk management policies and safety programs is performed by the Administration Department.

Debt Administration. At year-end the City had four debt issues outstanding. These include \$1,095,250 in a loan payable, two capital leases for \$870,419, and one certificate of participation issuance for \$3,910,000. Additional information in the City's debt activity can be found in Note F of the notes to the basic financial statements.

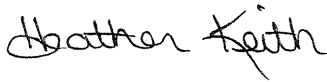
Pension. The City participates in the Missouri Local Government Employees Retirement System (LAGERS). The plan is noncontributory and covers all full-time City employees. The City funds the entire cost of the plan. Fiscal year 2008-2009 contributions, based on actuarial valuations, were 11.2% of annual covered payroll for general employees and 10.5% for police employees.

Awards and Acknowledgments. The City is applying with the Government Finance Officers Association (GFOA) for a Certificate of Achievement for Excellence in financial reporting for its CAFR for the fiscal year ended June 30, 2009. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, the contents of which conform to program standards. Such reports must satisfy both GAAP and applicable legal

requirements. The Certificate of Achievement is valid for a period of one year only. We believe this report conforms to the Certificate of Achievement program requirements, and we are submitting it to GFOA for its determination.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the various departments who assisted and contributed to the preparation. The assistance and recommendations in the preparation of this report from the City's independent certified public accountants, Hochschild, Bloom & Company LLP, is greatly appreciated. We would also like to thank the Mayor and Board of Aldermen for their interest and support in planning and conducting the financial operation of the City in a responsible and progressive manner.

Respectively submitted,

A handwritten signature in black ink that reads "Heather Keith". The signature is written in a cursive, flowing style.

Heather Keith
Finance Officer

CITY OF CREVE COEUR, MISSOURI

INTRODUCTORY

MAYOR

Mike Livengood

WARD 1

Robert Schmuke
Jim Albrecht

WARD 2

Dale Schmuke
William Isgriggs

WARD 3

Paul Arand
Tammy Stowe

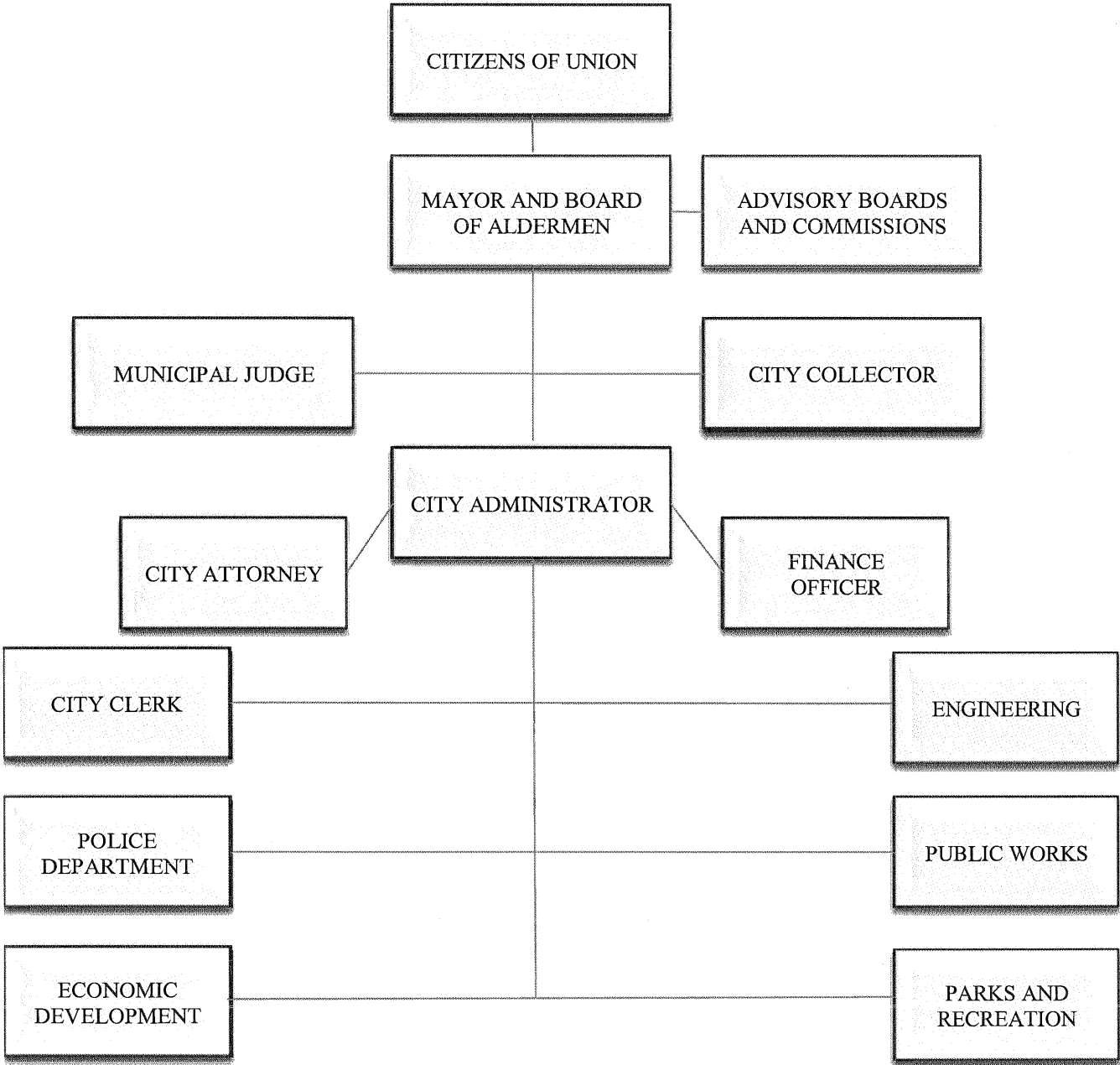
WARD 4

David Pope
Don Wurdack

OTHER CITY OFFICIALS

Russell Rost - City Administrator
Heather Keith - Finance Officer
Jonita Copeland - City Clerk
Jonathan Zimmermann - City Engineer
Norman Brune - Chief of Police
Harold Lampkin - Public Works Director
Joseph Graves - Economic Development Director
Kevin Arand - Parks and Recreation Director
Russell Rost - Emergency Management Director
Tim Melenbrink - City Attorney
Ruth Dowil - City Collector
Leneigha Downs - Municipal Judge

CITY OF UNION, MISSOURI
ORGANIZATIONAL CHART



SECTION II
FINANCIAL SECTION

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

INDEPENDENT AUDITORS' REPORT

October 26, 2009

Honorable Mayor and the Board of Aldermen
CITY OF UNION, 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 UNION, MISSOURI** (the City) as of and for the year ended June 30, 2009, which collectively comprise the City's financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 26, 2009, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial

reporting and compliance and the results of that testing, and not to provide an opinion on 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 important for assessing the results of our audit.

The management's discussion and analysis and required supplemental information, as listed in the table of contents, are not a required part of the financial statements but are supplementary information required by U.S. generally accepted accounting principles. 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's basic financial statements. The other supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and, therefore, express no opinion thereon.

Hochschild, Bloom & Company LLP
CERTIFIED PUBLIC ACCOUNTANTS

CITY OF UNION, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009

As management of the City of Union, Missouri (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our report along with the City's financial statements, including the footnotes that follow this Management's Discussion and Analysis (MD&A).

FINANCIAL HIGHLIGHTS

- On a government-wide basis the assets of the City exceeded its liabilities for the most recent fiscal year by \$39,378,801. The City has unrestricted net assets totaling \$6,580,855.
- General revenues and transfers for governmental activities were \$5,465,534 which included \$4,986,293 (91.2%) in sales, property, franchise, and other taxes. Property taxes accounted for \$1,007,328 (18.4%) of general revenues and transfers.
- Expense from the various functions of governmental activities was \$6,799,572. General government was \$1,512,762 (22.2%), public safety was \$1,495,039 (22%), street was \$1,696,109 (24.9%), refuse collection and other was \$512,651 (7.5%), culture and recreation was \$748,890 (11%), planning and development was \$405,875 (6%), and building maintenance was \$100,942 (1.5%).
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$7,621,255, a decrease of \$1,499,009 in comparison with the prior year. Of this amount \$7,220,800 is available for spending at the City's discretion.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$5,529,031 or 90% of total General Fund expenditures.
- The City's total debt decreased by \$898,907 (13.3%) during the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

CITY OF UNION, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and accrued vacation leave).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, street, refuse collection and other, culture and recreation, planning and development, and building maintenance.

The business-type activities of the City include water and sewer.

The government-wide financial statements can be found on pages 14 and 15 of this report.

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

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

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

The City maintains several individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Park Fund, Transportation Tax Fund, and 2006B Certificates of Participation Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation called "other governmental funds". Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the other supplemental information section in this report.

CITY OF UNION, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009

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

The governmental funds financial statements can be found on pages 16 through 19 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses Enterprise Funds to account for its water and sewer operations. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer operations.

The proprietary fund financial statements can be found on pages 20 through 22 of this report.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 23 through 39 of this report.

Required supplemental information. In addition to the basic financial statements and accompanying notes, certain required supplemental information can be found on pages 41 through 47 of this report.

Other supplemental information. The combining and individual fund statements, referred to earlier in connection with nonmajor governmental funds, are presented immediately following the required supplemental information. Combining and individual fund statements and schedules can be found on pages 49 through 55 of this report.

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

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

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, the net assets of \$39,378,801 increased in 2009 by approximately 4.5% as compared to the previous year.

The largest portion of the City's net assets, \$29,634,931 in 2009 (an increase of approximately 11.1% from 2008), reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be

CITY OF UNION, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009

noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A condensed version of the statement of net assets follows:

		June 30					
		Governmental Activities		Business-type Activities		Total	
		2009	2008	2009	2008	2009	2008
ASSETS							
Current and other							
assets	\$	8,345,416	9,504,307	2,465,673	2,306,280	10,811,089	11,810,587
Capital assets, net		<u>15,111,024</u>	<u>13,439,347</u>	<u>20,373,114</u>	<u>19,733,524</u>	<u>35,484,138</u>	<u>33,172,871</u>
Total Assets		<u>23,456,440</u>	<u>22,943,654</u>	<u>22,838,787</u>	<u>22,039,804</u>	<u>46,295,227</u>	<u>44,983,458</u>
LIABILITIES							
Long-term lia-							
bilities		<u>1,221,244</u>	<u>1,674,658</u>	<u>4,757,826</u>	<u>4,932,863</u>	<u>5,979,070</u>	<u>6,607,521</u>
Other liabilities		<u>586,054</u>	<u>235,401</u>	<u>351,302</u>	<u>456,653</u>	<u>937,356</u>	<u>692,054</u>
Total							
Liabilities		<u>1,807,298</u>	<u>1,910,059</u>	<u>5,109,128</u>	<u>5,389,516</u>	<u>6,916,426</u>	<u>7,299,575</u>
NET ASSETS							
Invested in capital							
assets, net of re-							
lated debt		<u>14,001,754</u>	<u>11,862,875</u>	<u>15,633,177</u>	<u>14,816,373</u>	<u>29,634,931</u>	<u>26,679,248</u>
Restricted		<u>1,947,624</u>	<u>4,637,719</u>	<u>1,215,391</u>	<u>1,116,280</u>	<u>3,163,015</u>	<u>5,753,999</u>
Unrestricted		<u>5,699,764</u>	<u>4,533,001</u>	<u>881,091</u>	<u>717,635</u>	<u>6,580,855</u>	<u>5,250,636</u>
Total Net							
Assets	\$	<u>21,649,142</u>	<u>21,033,595</u>	<u>17,729,659</u>	<u>16,650,288</u>	<u>39,378,801</u>	<u>37,683,883</u>

An additional portion of the City's net assets, \$3,163,015 in 2009, represents resources that are subject to external restrictions on how they may be used. External restrictions include those imposed by grantors, contributors, regulations of other governments, or restrictions imposed by law through constitutional provisions or legislation.

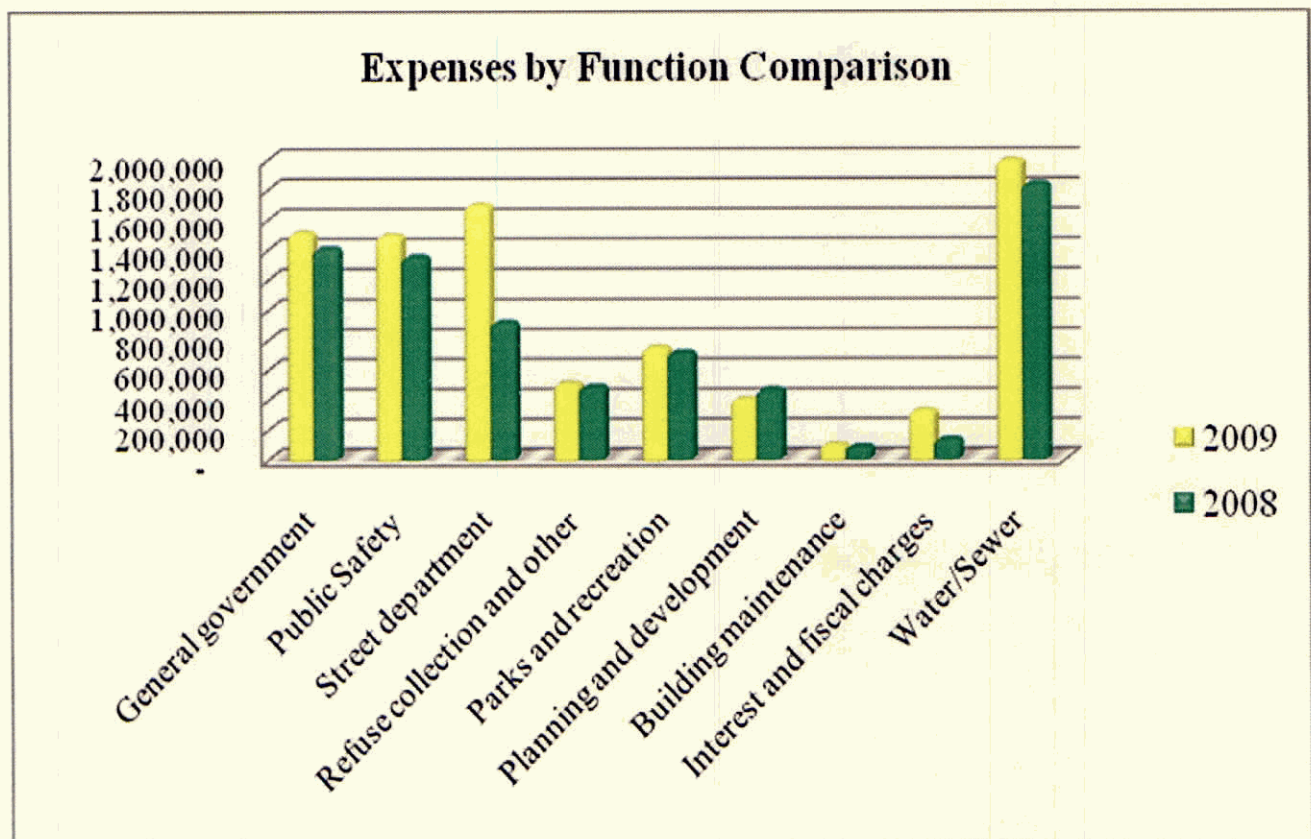
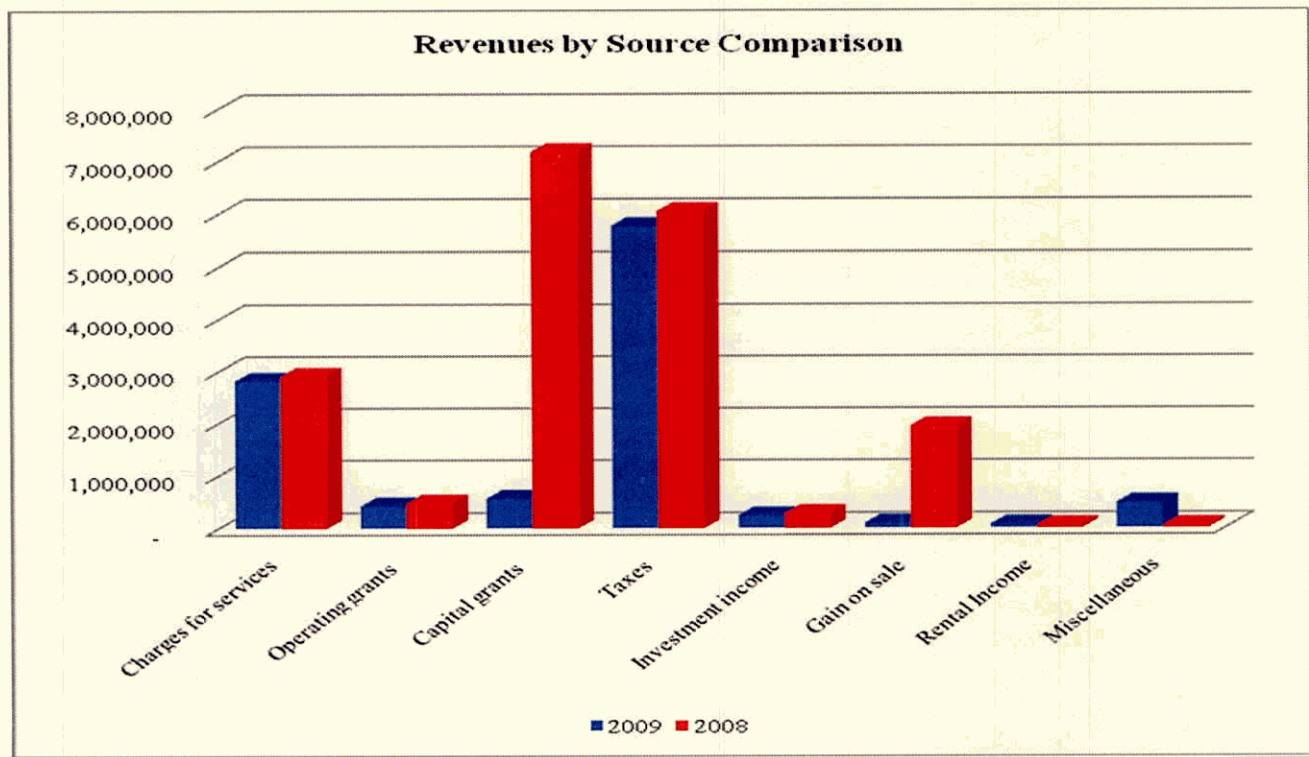
The remaining category of the City's net assets represents an unrestricted net assets balance of \$6,580,855 in 2009 which may be used to meet the City's ongoing obligations to citizens and creditors.

A condensed version of the statement of activities follows:

CITY OF UNION, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009

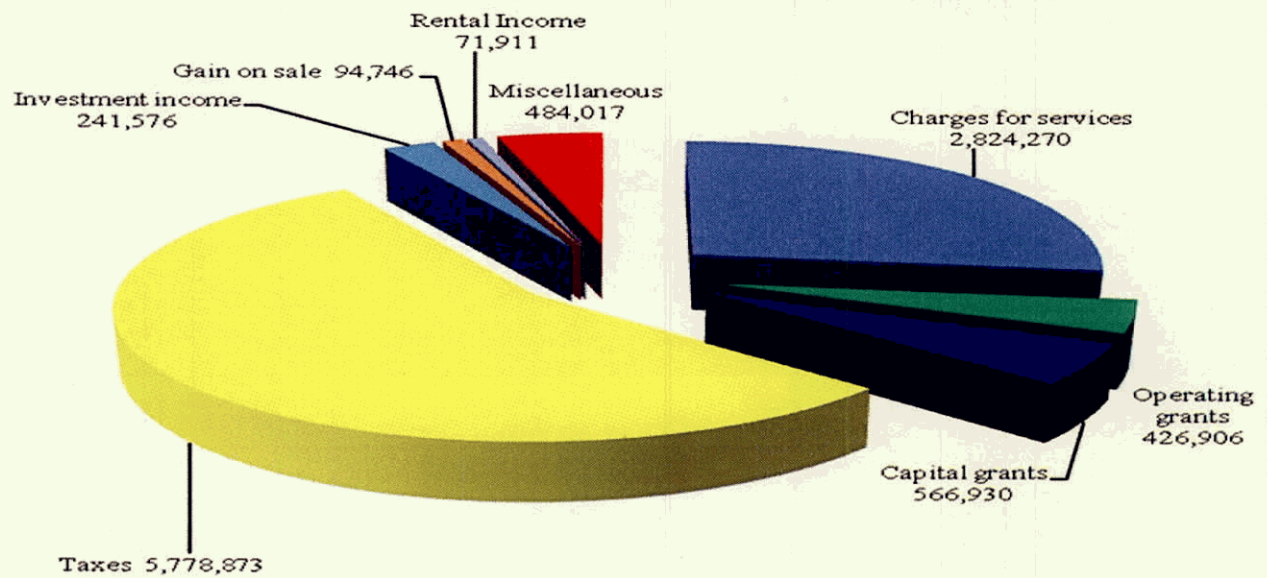
	For The Years Ended June 30					
	Governmental		Business-type		Total	
	Activities		Activities			
	2009	2008	2009	2008	2009	2008
REVENUES						
Program revenues:						
Charges for services	\$ 1,013,869	1,021,914	1,810,401	1,899,237	2,824,270	2,921,151
Operating grants and contributions	426,906	458,802	-	22,351	426,906	481,153
Capital grants and contributions	508,810	6,508,952	58,120	680,401	566,930	7,189,353
General revenues:						
Taxes	4,986,293	5,222,176	792,580	840,905	5,778,873	6,063,081
Investment income	196,484	224,887	45,092	47,548	241,576	282,435
Gain on sale of assets	94,746	1,947,996	-	-	94,746	1,947,996
Rental income	71,911	56,183	-	-	71,911	56,183
Miscellaneous	<u>454,700</u>	<u>18,174</u>	<u>29,317</u>	<u>30,568</u>	<u>484,017</u>	<u>48,742</u>
Total Revenues	<u>7,753,719</u>	<u>15,469,084</u>	<u>2,735,510</u>	<u>3,521,010</u>	<u>10,489,229</u>	<u>18,990,094</u>
EXPENSES						
General government	1,512,762	1,409,039	-	-	1,512,762	1,409,039
Public safety	1,495,039	1,352,696	-	-	1,495,039	1,352,696
Street department	1,696,109	916,981	-	-	1,696,109	916,981
Refuse collection and other	512,651	489,344	-	-	512,651	489,344
Culture and recreation	748,890	716,764	-	-	748,890	716,764
Planning and development	405,875	468,972	-	-	405,875	468,972
Building maintenance	100,942	84,915	-	-	100,942	84,915
Interest and fiscal charges	327,304	134,636	-	-	327,304	134,636
Water/sewer	<u>-</u>	<u>-</u>	<u>1,994,739</u>	<u>1,837,237</u>	<u>1,994,739</u>	<u>1,837,237</u>
Total Expenses	<u>6,799,572</u>	<u>5,573,347</u>	<u>1,994,739</u>	<u>1,837,237</u>	<u>8,794,311</u>	<u>7,410,584</u>
TRANSFERS	<u>(338,600)</u>	<u>257,718</u>	<u>338,600</u>	<u>(237,718)</u>	<u>-</u>	<u>-</u>
CHANGES IN NET ASSETS	615,547	10,153,455	1,079,371	1,426,055	1,694,918	11,579,510
NET ASSETS, JULY 1	<u>21,033,595</u>	<u>10,880,140</u>	<u>16,650,288</u>	<u>15,224,233</u>	<u>37,683,883</u>	<u>26,104,373</u>
NET ASSETS, JUNE 30	<u>\$21,649,142</u>	<u>21,033,595</u>	<u>17,729,659</u>	<u>16,650,288</u>	<u>39,378,801</u>	<u>37,683,883</u>

CITY OF UNION, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009

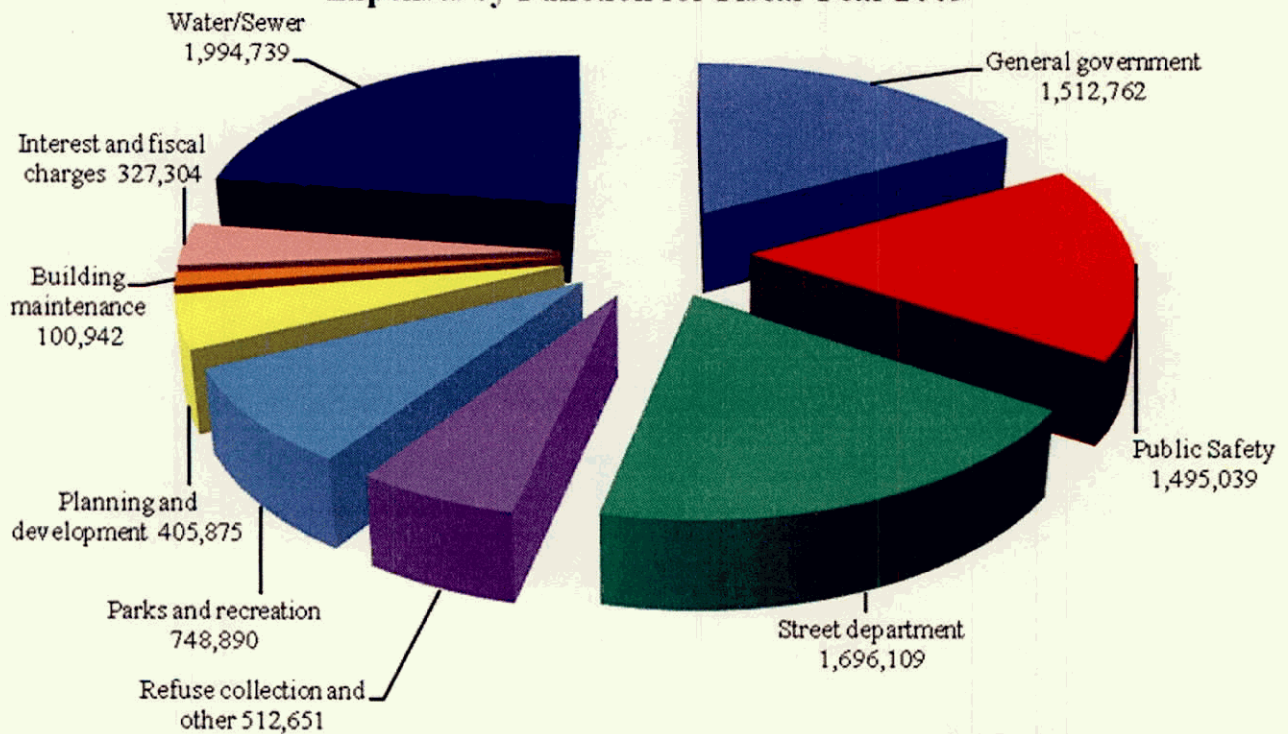


CITY OF UNION, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009

Revenues by Sources for Fiscal Year 2009



Expenses by Function for Fiscal Year 2009



CITY OF UNION, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009

Changes in net assets. In 2009 the City's total revenues on the government-wide basis was \$10,489,229, a decrease of \$8,500,865 as compared to 2008.

While the total revenues decreased \$8,500,865 (44.8%) from last year, total expenses also increased by \$1,383,727 (18.7%) from last year. The large decrease in revenues was due to lower contributed infrastructure for 2009 compared to 2008. The large increase in expenses was due to more road repairs and more depreciation due to infrastructure. As a result, the change in net assets had a decrease of \$9,884,592 (85.4%).

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. You can think of the City's net 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 nonfinancial factors such as changes in the City's property tax base, the amount of snow during the winter seasons, etc., to assess the overall health of the City.

General fund. At the end of year 2009, the unreserved fund balance of the General Fund was \$5,529,031 while the total fund balance was \$5,673,631. As a measure of the General Fund liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures and transfers out. Unreserved fund balance represents (84%) of total General Fund expenditures and transfers out of \$445,374, while total fund balance represents (86.2%) of total General Fund expenditures and transfers out.

The fund balance in the City's General Fund increased by \$1,191,086 (26.6%) from the prior year fund balance. The changes of the current year's fund balance are mainly due to:

- Transfers in increased by \$1,803,501 due to a transfer from the Transportation Tax Fund for road projects.

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

- Park Fund increased by \$52,334. This increase was a result of a decrease in expected capital expenditures. At the end of June 30, 2009, the unreserved fund balance was \$491,344 and total fund balance was \$519,699.
- Transportation Tax Fund decreased by \$692,381. This decrease was a result of a transfer out to the General Fund. At the end of June 30, 2009, the unreserved fund balance and total fund balance was \$684,254.
- 2006B Certificates of Participation Fund decreased by \$2,046,925. This decrease was a result of paying off the debt issue 2006B. At the end of June 30, 2009, the unreserved fund balance was \$297,984 and total fund balance was \$525,484.

CITY OF UNION, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009

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

- Water and Sewer Fund increased \$1,079,371. This increase was a result of increasing revenues. At the end of June 30, 2009, total net assets was \$17,729,659.

GENERAL FUND BUDGETARY HIGHLIGHTS

Final results for any given year will generally differ from that year's adopted budget. The final revised budget of the City's General Fund for 2009 was \$6,299,939, which differs from the original adopted budget of \$7,853,486 by \$1,553,547. These supplemental appropriations are summarized as follows:

- Areas of decrease in the General Fund includes road projects not being completed in the 2008-2009 budget year.
- Areas of increase in the General Fund include pay raises, employee benefits, fuel, and insurance.

CAPITAL ASSETS

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

	June 30					
	Governmental		Business-type		Total	
	Activities		Activities			
	2009	2008	2009	2008	2009	2008
Land	\$ 2,106,032	1,010,755	574,708	574,708	2,680,740	1,585,463
Construction in progress	693,437	210,805	1,432,478	547,093	2,125,915	757,898
Buildings	1,057,586	1,086,433	147,221	152,694	1,204,807	1,239,127
Infrastructure	10,349,417	10,292,764	16,154,323	16,430,905	26,503,740	26,723,669
Machinery and equipment	<u>904,552</u>	<u>838,590</u>	<u>2,064,384</u>	<u>2,028,124</u>	<u>2,968,936</u>	<u>2,866,714</u>
	<u>\$15,111,024</u>	<u>13,439,347</u>	<u>20,373,114</u>	<u>19,733,524</u>	<u>35,484,138</u>	<u>33,172,871</u>

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

CITY OF UNION, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009

LONG-TERM DEBT

At the end of fiscal year 2009, the City had outstanding long-term debt obligations for governmental and business-type activities in the amount of \$5,875,669 compared to \$6,774,576 in fiscal year 2008. Of this amount, \$3,910,000 is certificates of participation and \$870,419 in capital leases. The \$898,907 decrease in the City's long-term debt obligations is primarily due to the City redeeming \$1,795,000 2006B certificates of participation. The City issued a loan payable of \$1,095,250 for land. The loan is used for a future park. Additionally, the City did not refund any debts during 2009.

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

	June 30					
	Governmental		Business-type		Total	
	Activities		Activities		Activities	
	2009	2008	2009	2008	2009	2008
2006B certificates of participation	\$ -	1,795,000	-	-	-	1,795,000
2006A certificates of participation	-	-	3,910,000	4,045,000	3,910,000	4,045,000
Loan payable	1,095,250	-	-	-	1,095,250	-
Capital lease obligations	<u>14,020</u>	<u>34,407</u>	<u>856,399</u>	<u>900,169</u>	<u>870,419</u>	<u>934,576</u>
	<u>\$1,109,270</u>	<u>1,829,407</u>	<u>4,766,399</u>	<u>4,945,169</u>	<u>5,875,669</u>	<u>6,774,576</u>

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

During the preparation of the budget for the ensuring fiscal year, the City took into consideration the current economic conditions. Following are the assumptions made in preparing the City's budget for the 2009-2010 fiscal year:

- Sales tax being flat
- Construction related revenues to be down slightly
- Reduction in state and federal monies
- Increase in property tax rate
- Low interest rates

The City is working on plans to make improvements to the East Denmark Wastewater Treatment Plant and a lift station near Highway 47 South, with an estimated cost of \$4,500,000, to meet the demands caused by growth on the east side of the City. The lift station will eliminate the need for a lagoon serv-

CITY OF UNION, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009

ing existing customers in the area and to prepare for future growth. The source of funding for these projects is through the State Revolving Fund (SRF).

The City is obligated in a cost share improvement project to Highway 50 and the Missouri Department of Transportation. This cost share improvement project is \$7,000,000. The project was started in 2009.

REQUESTS FOR INFORMATION

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

CITY OF UNION, MISSOURI

STATEMENT OF NET ASSETS

JUNE 30, 2009

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 6,398,547	304,915	6,703,462
Accounts receivable	548,293	387,552	935,845
Property taxes receivable, net of allowance	121,537	-	121,537
Court fines receivable	23,032	-	23,032
Grants receivable	474,158	-	474,158
Accrued interest receivable	13,444	-	13,444
Inventory	-	114,595	114,595
Prepaid items	172,955	94,516	267,471
Bond issue costs	-	115,558	115,558
Restricted assets:			
Cash	593,450	1,448,537	2,041,987
Capital assets:			
Land and construction in progress	2,799,469	2,007,186	4,806,655
Other capital assets, net of accumulated depreciation	12,311,555	18,365,928	30,677,483
Total Assets	<u>23,456,440</u>	<u>22,838,787</u>	<u>46,295,227</u>
LIABILITIES			
Accounts payable	439,894	130,283	570,177
Retainage payable	45,200	5,712	50,912
Accrued wages	71,205	9,524	80,729
Accrued expenses	19,494	24,450	43,944
Accrued interest payable	-	107,128	107,128
Customer deposits payable	-	74,205	74,205
Court bonds payable	10,261	-	10,261
Noncurrent liabilities:			
Due within one year	98,000	199,521	297,521
Due in more than one year	1,123,244	4,558,305	5,681,549
Total Liabilities	<u>1,807,298</u>	<u>5,109,128</u>	<u>6,916,426</u>
NET ASSETS			
Invested in capital assets, net of related debt	14,001,754	15,633,177	29,634,931
Restricted for:			
Park improvements	519,699	-	519,699
Street improvements	684,254	-	684,254
Cemetery maintenance	62,562	-	62,562
Stormwater improvements	77,790	-	77,790
Water and sewer improvements	-	977,044	977,044
Debt service	603,319	238,347	841,666
Unrestricted	5,699,764	881,091	6,580,855
Total Net Assets	<u>\$ 21,649,142</u>	<u>17,729,659</u>	<u>39,378,801</u>

CITY OF UNION, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

FUNCTIONS/PROGRAMS	Program Revenues				Net Revenues (Expenses) And Changes In Net Assets		
	Expenses	Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary Government							
Governmental Activities							
General government	\$ 1,512,762	104,800	-	-	(1,407,962)	-	(1,407,962)
Public safety	1,495,039	179,989	113,001	76,054	(1,125,995)	-	(1,125,995)
Street department	1,696,109	642	289,472	432,756	(973,239)	-	(973,239)
Refuse collection and other	512,651	499,050	-	-	(13,601)	-	(13,601)
Culture and recreation	748,890	213,116	24,433	-	(511,341)	-	(511,341)
Planning and development	405,875	16,272	-	-	(389,603)	-	(389,603)
Building maintenance	100,942	-	-	-	(100,942)	-	(100,942)
Interest and fiscal charges	327,304	-	-	-	(327,304)	-	(327,304)
Total Governmental Activities	6,799,572	1,013,869	426,906	508,810	(4,849,987)	-	(4,849,987)
Business-type Activities							
Water/sewer	1,994,739	1,810,401	-	58,120	-	(126,218)	(126,218)
Total Primary Government	<u>\$ 8,794,311</u>	<u>2,824,270</u>	<u>426,906</u>	<u>566,930</u>	<u>(4,849,987)</u>	<u>(126,218)</u>	<u>(4,976,205)</u>
General Revenues							
Taxes:							
Sales					2,378,862	792,580	3,171,442
Property					1,007,328	-	1,007,328
Franchise					1,215,314	-	1,215,314
Other					384,789	-	384,789
Investment income					196,484	45,092	241,576
Gain on sale of assets					94,746	-	94,746
Rental income					71,911	-	71,911
Miscellaneous					454,700	29,317	484,017
Transfers					(338,600)	338,600	-
Total General Revenues And Transfers					<u>5,465,534</u>	<u>1,205,589</u>	<u>6,671,123</u>
CHANGES IN NET ASSETS					615,547	1,079,371	1,694,918
NET ASSETS, JULY 1					<u>21,033,595</u>	<u>16,650,288</u>	<u>37,683,883</u>
NET ASSETS, JUNE 30					<u>\$ 21,649,142</u>	<u>17,729,659</u>	<u>39,378,801</u>

See notes to financial statements

CITY OF UNION, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2009

	General Fund	Park Fund	Transportation Tax Fund	2006B Certificates Of Participation Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 5,139,475	472,434	568,451	-	218,187	6,398,547
Accounts receivable	432,490	-	115,803	-	-	548,293
Property taxes receivable, net of allowance	98,458	23,079	-	-	-	121,537
Court fines receivable	23,032	-	-	-	-	23,032
Grants receivable	474,158	-	-	-	-	474,158
Accrued interest receivable	13,444	-	-	-	-	13,444
Prepaid items	144,600	28,355	-	-	-	172,955
Restricted assets:						
Cash	10,261	57,705	-	525,484	-	593,450
Total Assets	<u>\$ 6,335,918</u>	<u>581,573</u>	<u>684,254</u>	<u>525,484</u>	<u>218,187</u>	<u>8,345,416</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 422,758	17,136	-	-	-	439,894
Retainage payable	45,200	-	-	-	-	45,200
Wages payable	51,597	19,608	-	-	-	71,205
Court bonds payable	10,261	-	-	-	-	10,261
Accrued liabilities	15,078	4,416	-	-	-	19,494
Deferred revenue	117,393	20,714	-	-	-	138,107
Total Liabilities	<u>662,287</u>	<u>61,874</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>724,161</u>
Fund Balances						
Reserved for:						
Prepaid items	144,600	28,355	-	-	-	172,955
Debt service	-	-	-	227,500	-	227,500
Unreserved:						
General Fund	5,529,031	-	-	-	-	5,529,031
Special Revenue Funds	-	491,344	684,254	-	140,352	1,315,950
Debt Service Funds	-	-	-	297,984	77,835	375,819
Total Fund Balances	<u>5,673,631</u>	<u>519,699</u>	<u>684,254</u>	<u>525,484</u>	<u>218,187</u>	<u>7,621,255</u>
Total Liabilities And Fund Balances	<u>\$ 6,335,918</u>	<u>581,573</u>	<u>684,254</u>	<u>525,484</u>	<u>218,187</u>	<u>8,345,416</u>

CITY OF UNION, MISSOURI
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET ASSETS
JUNE 30, 2009

Total Fund Balances - Governmental Funds	\$ 7,621,255
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 funds. The cost of the assets is \$19,246,703 and the accumulated depreciation is \$4,135,679.	15,111,024
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.	138,107
Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long- term liabilities at year-end consist of:	
Compensated absences	(111,974)
Note payable	(1,095,250)
Capital lease	<u>(14,020)</u>
Total Net Assets Of Governmental Activities	<u><u>\$ 21,649,142</u></u>

CITY OF UNION, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	General Fund	Park Fund	Transportation Tax Fund	2006B Certificates Of Participation Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 4,246,313	226,384	792,954	-	-	5,265,651
Fines and forfeitures	111,930	-	-	-	-	111,930
Licenses and permits	102,739	-	-	-	-	102,739
Charges for services	559,998	199,294	-	-	-	759,292
Intergovernmental	457,831	3,355	-	-	-	461,186
Investment income	133,210	13,216	34,215	9,104	6,739	196,484
Rental income	71,911	-	-	-	-	71,911
Miscellaneous	49,228	37,020	-	428,338	-	514,586
Total Revenues	5,733,160	479,269	827,169	437,442	6,739	7,483,779
EXPENDITURES						
Current:						
General government	1,506,064	-	-	-	-	1,506,064
Public safety	1,429,339	-	-	-	-	1,429,339
Street department	600,529	-	-	-	-	600,529
Refuse collection and other	512,651	-	-	-	-	512,651
Culture and recreation	-	1,803,051	-	-	-	1,803,051
Planning and development	253,080	-	-	-	-	253,080
Building maintenance	80,988	-	-	-	-	80,988
Capital outlay	1,751,713	36,550	-	-	-	1,788,263
Debt service:						
Principal	-	-	-	1,795,000	-	1,795,000
Interest and fiscal charges	-	12,597	-	53,722	-	66,319
Total Expenditures	6,134,364	1,852,198	-	1,848,722	-	9,835,284
REVENUES OVER (UNDER) EXPENDITURES	(401,204)	(1,372,929)	827,169	(1,411,280)	6,739	(2,351,505)
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	94,745	-	-	-	1,101	95,846
Note payable	-	1,095,250	-	-	-	1,095,250
Transfers in	1,942,919	330,013	-	461,897	-	2,734,829
Transfers out	(445,374)	-	(1,520,000)	(1,097,542)	(10,513)	(3,073,429)
Total Other Financing Sources (Uses)	1,592,290	1,425,263	(1,520,000)	(635,645)	(9,412)	852,496
NET CHANGES IN FUND BALANCES	1,191,086	52,334	(692,831)	(2,046,925)	(2,673)	(1,499,009)
FUND BALANCES, JULY 1	4,482,545	467,365	1,377,085	2,572,409	220,860	9,120,264
FUND BALANCES, JUNE 30	\$ 5,673,631	519,699	684,254	525,484	218,187	7,621,255

See notes to financial statements

CITY OF UNION, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

Net Change In Fund Balances - Governmental Funds \$ (1,499,009)

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

Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays over the capitalization threshold (\$2,421,508) exceeded depreciation (\$913,811) in the current period. 1,507,697

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. 10,114

The net effect of various miscellaneous transactions involving capital assets:
 Contributed capital assets 163,980

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net assets. All the governmental funds report the effect of issuance cost, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Repayments:

Certificates of participation	1,795,000	
Capital lease	20,387	
Amortization	(311,478)	

Debt issued:

Note payable	(1,095,250)	408,659
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Under the modified accrual basis of accounting used in the governmental funds financial statements, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when financial resources are available.

Accrued interest	37,894	
Accrued compensated absence liability	(13,788)	24,106

Change In Net Assets Of Governmental Activities \$ 615,547

CITY OF UNION, MISSOURI
STATEMENT OF NET ASSETS - PROPRIETARY FUND
JUNE 30, 2009

	<u>Business-type Activities - Enterprise Fund Water/Sewer</u>
ASSETS	
Current Assets	
Cash and cash investments	\$ 304,915
Accounts receivable	387,552
Inventory	114,595
Prepaid items	94,516
Total Current Assets	<u>901,578</u>
Noncurrent Assets	
Bond issuance costs	115,558
Cash - restricted	1,448,537
Land and construction in progress	2,007,186
Other capital assets, net of accumulated depreciation	18,365,928
Total Noncurrent Assets	<u>21,937,209</u>
Total Assets	<u>22,838,787</u>
LIABILITIES	
Current Liabilities	
Accounts payable	130,283
Retainage payable	5,712
Accrued wages	9,524
Accrued expenses	24,450
Accrued interest payable	107,128
Accrued compensated absences - current	13,416
Capital lease - current	46,105
Bonds payable - current	140,000
Total Current Liabilities	<u>476,618</u>
Noncurrent Liabilities	
Customer deposits payable	74,205
Accrued compensated absences	4,473
Capital leases payable	810,294
Bonds payable, net	3,743,538
Total Noncurrent Liabilities	<u>4,632,510</u>
Total Liabilities	<u>5,109,128</u>
NET ASSETS	
Invested in capital assets, net of related debt	15,633,177
Restricted for debt service	238,347
Restricted for water and sewer improvements	977,044
Unrestricted	881,091
Total Net Assets	<u>\$ 17,729,659</u>

See notes to financial statements

CITY OF UNION, MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET ASSETS - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Business-type Activities - Enterprise Fund Water/Sewer</u>
OPERATING REVENUES	
Charges for services:	
Water	\$ 1,041,994
Sewer	768,407
Total Operating Revenues	<u>1,810,401</u>
OPERATING EXPENSES	
Depreciation	496,352
Amortization	8,353
Water	473,866
Sewer	774,296
Total Operating Expenses	<u>1,752,867</u>
OPERATING INCOME	<u>57,534</u>
NONOPERATING REVENUES (EXPENSES)	
Taxes	792,580
Investment income	45,092
Miscellaneous	29,317
Interest expense	(241,872)
Total Nonoperating Revenues (Expenses)	<u>625,117</u>
NET INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>682,651</u>
CAPITAL CONTRIBUTIONS	<u>58,120</u>
TRANSFERS	
Transfers in	1,239,155
Transfers out	(900,555)
Total Transfers	<u>338,600</u>
CHANGE IN NET ASSETS	1,079,371
NET ASSETS, JULY 1	<u>16,650,288</u>
NET ASSETS, JUNE 30	<u><u>\$ 17,729,659</u></u>

See notes to financial statements

CITY OF UNION, MISSOURI
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Business-type Activities - Enterprise Fund Water/Sewer</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	
Cash flows from operating activities:	
Receipts from customers and users	\$ 1,812,700
Payments to suppliers	(800,313)
Payments to employees	(553,926)
Net Cash Provided By Operating Activities	<u>458,461</u>
Cash flows from noncapital financing activities:	
Taxes	792,580
Due to other funds	(706,288)
Transfers from other funds	1,239,155
Transfers to other funds	(900,555)
Net Cash Provided By Noncapital Financing Activities	<u>424,892</u>
Cash flows from capital and related financing activities:	
Interest paid on bonds	(245,121)
Payments on capital lease payable	(43,770)
Payments on bonds payable	(135,000)
Acquisition and construction of capital assets	(1,077,823)
Net Cash Used In Capital And Related Financing Activities	<u>(1,501,714)</u>
Cash flows from investing activities:	
Investment income	45,092
Miscellaneous income	29,317
Net Cash Provided By Investing Activities	<u>74,409</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(543,952)
CASH AND CASH EQUIVALENTS, JULY 1	<u>2,297,404</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u><u>\$ 1,753,452</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income	\$ 57,534
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	496,352
Amortization	8,353
(Increase) decrease in:	
Accounts receivable	674
Prepaid items	11,294
Inventory	(15,821)
Increase (decrease) in:	
Accounts payable	(115,914)
Retainage payable	5,712
Accrued wages	1,947
Accrued compensated absences	2,177
Accrued expenses	4,528
Customer deposits	1,625
Total Adjustments	<u>400,927</u>
Net Cash Provided By Operating Activities	<u>\$ 458,461</u>
Contributed water and sewer lines	<u>\$ 58,120</u>

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The **CITY OF UNION, MISSOURI** (the City) was incorporated under the provisions of the State of Missouri. The City operates under a Mayor-Council form of government. The City's major operations include public safety (police), streets, sanitation, culture, and recreation, public improvements, planning and development, and general administrative services. Other services include utilities operations.

The accounting and financial reporting policies of the City conform to U.S. generally accepted accounting principles as applicable to governmental entities. The following is a summary of the more significant policies:

1. The Financial Reporting Entity

The City defines its financial reporting entity in accordance with provisions established by the Governmental Accounting Standards Board (GASB). Such standards require inclusion of component units based upon whether the City's governing body has any significant amount of accountability for potential component units. The City is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the City appoints a voting majority of the component unit's Board or because the component unit will provide a financial benefit or impose a financial burden on the City. It was determined that there are no component units to be included in the City's reporting entity.

2. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from the statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due (i.e., matured).

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

General Fund -- This fund is the primary operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Park Fund -- This fund is a Special Revenue Fund used to account for taxes and park programs revenue and for the activities related to the parks department.

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

2006B Certificates of Participation Fund -- This fund is used to account for transfers from other City funds and expenditures for payment of the City's debt.

The City reports the following major proprietary fund:

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and Enterprise Funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payment-in-lieu of taxes and other charges and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's Enterprise Fund are charges for sales and services. Operating expenses for Enterprise Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

4. Cash and Investments

For cash flow statement purposes, the City considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, requires that all investments be reported in the financial statements at fair value. Fair value is established as readily determinable current market value for

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Cash and Investments (Continued)

equity and debt securities. State statutes authorize the City to invest in obligations of the U.S. Treasury, federal agencies, commercial paper, corporate bonds, and repurchase agreements.

5. Allowance for Uncollectible Accounts

Property taxes receivable are shown net of an allowance for uncollectible accounts of \$28,500 and \$6,256 in the General and Park Funds, respectively.

6. Inventory

Inventory in the proprietary fund are valued at cost (first-in, first-out) and the expense is recognized when inventory items are consumed in operations.

7. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the fiscal year-end are recorded as prepaid items. Prepaid items are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

8. Due To/From Other Funds

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from", are considered "available spendable resources", and are subject to elimination upon consolidation.

9. Restricted Assets

Certain resources set aside for the repayment of utility customer deposits, court bond deposits, and trustee accounts restricted for debt service are classified as restricted assets on the balance sheet because their use is limited to repayment of deposits and debt service liabilities.

10. Capital Assets

Capital assets, which include property, equipment, and infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of more than \$2,500 or betterments with a cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Capital Assets (Continued)

Donated capital assets are recorded at estimated fair market value at the date of donation. Infrastructure acquired prior to the implementation of GASB 34 has not been reported.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation is being computed on the straight-line method, using asset lives as follows:

Assets	Years
Buildings	20 - 50
Infrastructure	10 - 50
Machinery and equipment	3 - 25

11. Deferred Revenues

The City reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has a legal claim to them. In subsequent periods, when both the revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

12. Compensated Absences

City employees generally earn vacation monthly based upon their length of service to the City. Regular full-time employees who are separated from service are compensated for vacation accrued up to the date of separation. Comp time accrued is also paid upon the date of separation. All vacation pay and comp time is accrued when incurred in the government-wide and proprietary fund financial statements. Sick leave is accumulated based on length of service and is available only to provide compensation during periods of illness. No portion of sick leave is payable to the employee upon termination, therefore, no liability is reported for sick leave.

13. Long-term Liabilities

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. Long-term Liabilities (Continued)

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

14. Reserved Fund Balance

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for subsequent year appropriations or are legally restricted by outside parties for use for a specific purpose, if any.

15. Equity in Pooled Cash and Investments

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

16. Grant Revenue

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

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

17. Interfund Transactions

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

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

18. Property Taxes

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

The Franklin County Assessor establishes assessed values and the City tax collector makes collections. The assessed value at January 1, 2008 upon which the 2008 levy was based for real estate, personal property, and railroads and utilities taxes was \$160,820,001.

The City's tax rate was levied at \$0.6389 per \$100 of assessed valuation of which \$0.5149 is used for general governmental services and \$0.124 is used for park services.

19. Use of Estimates

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

NOTE B - CASH AND INVESTMENTS

1. Deposits

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

As of June 30, 2009, the City's bank balances were entirely secured or collateralized with securities held by the City or by its agent in the City's name.

2. Investments

As of June 30, 2009, the City had the following investments:

CITY OF UNION, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH AND INVESTMENTS (Continued)

2. Investments (Continued)

<u>Investments</u>	<u>Fair Market Value</u>	<u>No Maturity</u>	<u>Less Than One Year</u>	<u>Credit Risk</u>
Governmental Funds				
Certificates of deposit	\$4,000,000	-	4,000,000	N/A
Money market funds	<u>525,484</u>	<u>525,484</u>	<u>-</u>	Not rated
	4,525,484	<u>525,484</u>	<u>4,000,000</u>	
Cash deposits	<u>2,466,513</u>			
Total Governmental Funds Cash And Investments	<u>\$6,991,997</u>			
Proprietary Funds				
Money market funds	\$ 238,347	<u>238,347</u>	<u>-</u>	Not rated
Cash deposits	<u>1,515,105</u>			
Total Proprietary Funds Cash And Investments	<u>\$1,753,452</u>			

Investments Policies

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In accordance with its investment policy, the City minimizes credit risk by diversifying the portfolio to reduce potential losses on individual securities.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. In accordance with its investment policy, the City minimizes interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, therefore avoiding the need to sell securities on the open market prior to maturity and investing in primarily shorter term securities.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. In accordance with its investment policy, the City minimizes concentration of credit risk by diversifying the investment portfolio.

NOTE C - CAPITAL ASSETS

Capital asset activity was as follows:

CITY OF UNION, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - CAPITAL ASSETS (Continued)

	For The Year Ended June 30, 2009			
	Balance June 30 2008	Transfers and Additions	Transfers and Deletions	Balance June 30 2009
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 1,010,755	1,095,277	-	2,106,032
Construction in progress	<u>210,805</u>	<u>511,179</u>	<u>28,547</u>	<u>693,437</u>
Total Capital Assets Not Being Depreciated	<u>1,221,560</u>	<u>1,606,456</u>	<u>28,547</u>	<u>2,799,469</u>
Capital assets being depreciated:				
Buildings	2,219,872	56,274	-	2,276,146
Infrastructure	10,914,048	653,929	-	11,567,977
Machinery and equipment	<u>2,332,882</u>	<u>339,227</u>	<u>68,998</u>	<u>2,603,111</u>
Total Capital Assets Being Depreciated	<u>15,466,802</u>	<u>1,049,430</u>	<u>68,998</u>	<u>16,447,234</u>
Less - Accumulated depreciation for:				
Buildings	1,133,439	85,121	-	1,218,560
Infrastructure	621,284	597,276	-	1,218,560
Machinery and equipment	<u>1,494,292</u>	<u>273,265</u>	<u>68,998</u>	<u>1,698,559</u>
Total Accumulated Depreciation	<u>3,249,015</u>	<u>955,662</u>	<u>68,998</u>	<u>4,135,679</u>
Total Capital Assets Being Depreciated, Net	<u>12,217,787</u>	<u>93,768</u>	<u>-</u>	<u>12,311,555</u>
Governmental Activities Capital Assets, Net	<u>\$13,439,347</u>	<u>1,700,224</u>	<u>28,547</u>	<u>15,111,024</u>
Business-type Activities				
Capital assets not being depreciated:				
Land	\$ 574,708	-	-	574,708
Construction in progress	<u>547,093</u>	<u>971,813</u>	<u>86,428</u>	<u>1,432,478</u>
Total Capital Assets Not Being Depreciated	<u>1,121,801</u>	<u>971,813</u>	<u>86,428</u>	<u>2,007,186</u>
Capital assets being depreciated:				
Buildings	251,400	-	-	251,400
Infrastructure	19,351,473	119,875	-	19,471,348
Machinery and equipment	<u>3,227,010</u>	<u>130,682</u>	<u>104,725</u>	<u>3,252,967</u>
Total Capital Assets Being Depreciated	<u>22,829,883</u>	<u>250,557</u>	<u>104,725</u>	<u>22,975,715</u>
Less - Accumulated depreciation for:				
Buildings	98,706	5,473	-	104,179
Infrastructure	2,920,568	396,457	-	3,317,025
Machinery and equipment	<u>1,198,886</u>	<u>94,422</u>	<u>104,725</u>	<u>1,188,583</u>
Total Accumulated Depreciation	<u>4,218,160</u>	<u>496,352</u>	<u>104,725</u>	<u>4,609,787</u>
Total Capital Assets Being Depreciated, Net	<u>18,611,723</u>	<u>(245,795)</u>	<u>-</u>	<u>18,365,928</u>
Business-type Activities Capital Assets, Net	<u>\$19,733,524</u>	<u>726,018</u>	<u>86,428</u>	<u>20,373,114</u>

CITY OF UNION, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - CAPITAL ASSETS (Continued)

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

	For The Year Ended June 30, 2009
Governmental Activities	
General government	\$ 8,490
Public safety	93,934
Street department	685,850
Culture and recreation	104,354
Planning and development	1,788
Building maintenance	<u>19,395</u>
 Total Depreciation Expense - Governmental Activities (excludes assets transferred from business-type activities of \$41,851)	 <u>\$913,811</u>
 Business-type Activities	
Water/Sewer Facility	<u>\$496,352</u>

NOTE D - INTERFUND TRANSACTIONS

Individual interfund transactions are as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>June 30 2009 Total</u>
General Fund	Transportation Tax	\$1,520,000
Park Fund	General Fund	319,500
Park Fund	Nonmajor Fund - Swimplex	10,513
2006B COPS Fund	General Fund	125,874
2006B COPS Fund	Water/Sewer	336,023
Water/Sewer	2006B COPS Fund	674,623
General Fund	2006B COPS Fund	<u>422,919</u>
		 <u>\$3,409,452</u>

Interfund transfers were used to 1) move revenues from the fund that ordinance or budget requires to collect them to the fund that ordinance or budget requires to expend them, 2) use unrestricted revenues collected in the General Fund to finance other funds in accordance with budgetary authorization, or 3) move revenues in excess of current year expenditures to other funds.

NOTE E - RESTRICTED NET ASSETS

The government-wide statement of net assets reports \$3,163,015 of restricted net assets, of which \$2,321,349 is restricted by enabling legislation.

NOTE F - LONG-TERM DEBT

Long-term debt consisted of the following:

June 30
2009

Governmental Activities

Loan payable of \$1,095,250 secured by real estate. Interest rate variable based on 70% of prime rate, maturity July 31, 2010. Principal due July 31, 2010.

\$1,095,250

Business-type Activities

2006A certificates of participation issue of \$4,170,000 used for constructing waterworks and sewerage system improvements. Interest rates range from 4.15% to 5.25%, maturity July 1, 2026.

\$3,910,000

Annual principal and interest planned due to certain prepayments of principal on long-term debt are as follows:

For The Years Ended June 30	<u>Business-type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 140,000	193,048	333,048
2011	150,000	186,697	336,697
2012	155,000	179,758	334,758
2013	160,000	172,432	332,432
2014	170,000	164,720	334,720
2015 - 2019	975,000	689,408	1,664,408
2020 - 2024	1,245,000	408,072	1,653,072
2025 - 2027	<u>915,000</u>	<u>73,631</u>	<u>988,631</u>
	<u>\$3,910,000</u>	<u>2,067,766</u>	<u>5,977,766</u>

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

CITY OF UNION, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE F - LONG-TERM DEBT (Continued)

	<u>For The Year Ended June 30, 2009</u>			<u>Amounts</u>	
	<u>Balance</u> <u>June 30</u> <u>2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30</u> <u>2009</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Governmental Activities					
Certificates of participation	\$1,795,000	-	1,795,000	-	-
Loan payable	-	1,095,250	-	1,095,250	-
Capital lease obligations	34,407	-	20,387	14,020	14,020
Less - Discounts	(12,876)	-	(12,876)	-	-
Less - Deferred charges	<u>(240,059)</u>	<u>-</u>	<u>(240,059)</u>	<u>-</u>	<u>-</u>
Total Bonds and Capital Leases	1,576,472	1,095,250	1,562,452	1,109,270	14,020
Compensated absences	<u>98,186</u>	<u>376,792</u>	<u>363,004</u>	<u>111,974</u>	<u>83,980</u>
Total Governmental Activities	<u>\$1,674,658</u>	<u>1,472,042</u>	<u>1,925,456</u>	<u>1,221,244</u>	<u>98,000</u>
Business-type Activities					
Certificates of participation	\$4,045,000	-	135,000	3,910,000	140,000
Capital lease obligation	900,169	-	43,770	856,399	46,105
Less - Discounts	<u>(28,018)</u>	<u>-</u>	<u>(1,556)</u>	<u>(26,462)</u>	<u>-</u>
Total Bonds And Capital Leases	4,917,151	-	177,214	4,739,937	186,105
Compensated absences	<u>15,712</u>	<u>54,644</u>	<u>52,467</u>	<u>17,889</u>	<u>13,416</u>
Total Business-type Activities	<u>\$4,932,863</u>	<u>54,644</u>	<u>229,681</u>	<u>4,757,826</u>	<u>199,521</u>

Compensated absences are generally liquidated by the General Fund. Bonds payable and capital leases are liquidated by the appropriate related fund.

The City has entered into capital lease agreements as lessee for financing the acquisition of vehicles and water/sewer facilities.

The assets acquired through the capital leases are as follows:

	<u>June 30, 2009</u>	
	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>
Asset:		
Infrastructure	\$ -	914,863
Machinery and equipment	148,683	-
Less - Accumulated depreciation	<u>112,965</u>	<u>219,567</u>
Total	<u>\$ 35,718</u>	<u>695,296</u>

NOTE F - LONG-TERM DEBT (Continued)

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

<u>For The Years</u> <u>Ended June 30</u>	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>
2010	\$14,866	90,000
2011	-	90,000
2012	-	90,000
2013	-	90,000
2014	-	90,000
2015 - 2019	-	450,000
2020 - 2023	-	<u>292,500</u>
Total minimum lease payments	14,866	1,192,500
Less - Imputed interest	<u>846</u>	<u>336,101</u>
 Present Value Of Minimum Lease Payments	 <u>\$14,020</u>	 <u>856,399</u>

The City has defeased certificates of participation by placing the proceeds in irrevocable trusts to provide for all future debt service payments on the old certificates of participation. Accordingly, the trust assets and liability for the defeased debt are not included in the City's financial statements. As of June 30, 2009, \$2,345,000 of debt is considered defeased.

NOTE G - EMPLOYEE RETIREMENT BENEFIT PLAN

1. Plan Description and Provisions

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 state statute, Section RSMo 70.600-70.755. As such, it is LAGERS' responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and 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 to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

NOTE G - EMPLOYEE RETIREMENT BENEFIT PLAN (Continued)

2. Funding Policy

The City's full-time employees do not contribute to the pension plan. The political subdivision is required to contribute at an actuarially determined rate; the current rates are 11.2% (general) and 10.5% (police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the subdivision are established by state statute.

3. Annual Pension Cost

For 2008, the City's annual pension cost of \$252,932 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2007 and/or 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% per year, compounded annually, attributable to inflation; c) additional projected salary increases ranging from 0% to 6% per year, depending on age, attributable to seniority/merit; d) pre-retirement mortality based on the RP-2000 Combined Healthy Table set back zero years for men and zero 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 15 years.

Three-Year Trend Information

<u>For The Years Ended June 30</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Of APC Contributed</u>
2009	\$252,932	100%
2008	221,586	100
2007	224,920	100

Schedule of Funding Progress

<u>For The Valuation Years Ended February 28/29</u>	<u>Actuarial Value Of Assets</u>	<u>Entry Age Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (Excess Assets)</u>
2009	\$5,300,458	\$6,547,535	(\$1,247,077)
2008	6,074,262	6,101,705	(27,443)
2007	6,000,762	6,060,703	(59,941)

NOTE G - EMPLOYEE RETIREMENT BENEFIT PLAN (Continued)

3. Annual Pension Cost (Continued)

For The Valuation Years Ended <u>February 28/29</u>	Funded <u>Ratio</u>	Annual Covered <u>Payroll</u>	Unfunded AAL As A Percentage Of Covered <u>Payroll</u>
2009	81%	\$2,288,797	54%
2008	100	2,091,859	1
2007	99	1,941,520	3

Note: The above assets and AAL do not include the 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 the LAGERS' office in Jefferson City, MO.

NOTE H - RISK MANAGEMENT

The City is a member of the Missouri Intergovernmental Risk Management Association (MIRMA), a state-wide governmental self-insurance pool which provides property, liability, and workers' compensation coverages to its participating members in a single comprehensive multiline package. The various lines of coverage are not available individually and the membership is limited to municipalities and municipally owned utilities. The City's policy covers all real and personal property owned by the City except sewer lines. The policy is for replacement cost and expires June 30, 2009.

MIRMA is funded by annual member assessments calculated at a rate per \$100 of annual payroll which applies to all lines of coverage on a composite basis. These funds are used to pay losses within specific risk retention limits shared equally by all members; purchase excess insurance which provides a transfer of catastrophic risk to private insurance carriers; purchase services such as claims administration, loss prevention, and data processing; and pay administrative expenses. Should actual insurance losses exceed MIRMA's estimates, the City could be required to contribute additional funds. Management believes the risk of additional loss is minimal and any additional contributions that may be required would not materially impact the overall operations of the City. The City paid an assessment totaling \$192,434 for MIRMA's fiscal year ended June 30, 2009. Settled claims resulting in these risks have not exceeded coverage in any of the past three years.

NOTE I - COMMITMENTS

The City is obligated in a cost share improvement project for Highway 50 with the Missouri Department of Transportation. This cost share improvement project is \$7,000,000 of which the City is obligated to pay approximately \$715,000. The project was started in 2009.

CITY OF UNION, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE I - COMMITMENTS (Continued)

The City had purchase commitments in the following amounts:

	<u>June 30, 2009</u>
Park projects	\$15,000
Street projects	<u>48,723</u>
	<u>\$63,723</u>

NOTE J - SEGMENT INFORMATION

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

<u>Condensed Statement Of Net Assets</u>			
<u>June 30, 2009</u>			
	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>
ASSETS			
Current and other assets	\$ 301,578	715,558	1,017,136
Restricted assets	74,205	1,374,332	1,448,537
Capital assets	<u>6,103,658</u>	<u>14,269,456</u>	<u>20,373,114</u>
Total Assets	<u>6,479,441</u>	<u>16,359,346</u>	<u>22,838,787</u>
LIABILITIES			
Current liabilities	23,897	452,721	476,618
Noncurrent liabilities	<u>888,972</u>	<u>3,743,538</u>	<u>4,632,510</u>
Total Liabilities	<u>912,869</u>	<u>4,196,259</u>	<u>5,109,128</u>
NET ASSETS			
Invested in capital assets, net of related debt	5,247,259	10,385,918	15,633,177
Restricted	-	1,215,391	1,215,391
Unrestricted	<u>319,313</u>	<u>561,778</u>	<u>881,091</u>
Total Net Assets	<u>\$5,566,572</u>	<u>12,163,087</u>	<u>17,729,659</u>

CITY OF UNION, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE J - SEGMENT INFORMATION (Continued)

Condensed Statement Of Revenues, Expenses, And Changes In Net Assets For The Year Ended June 30, 2009			
	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>
OPERATING REVENUES	\$1,041,994	768,407	1,810,401
DEPRECIATION	155,919	340,433	496,352
OTHER OPERATING EXPENSES	<u>473,866</u>	<u>782,649</u>	<u>1,256,515</u>
OPERATING INCOME (LOSS)	412,209	(354,675)	57,534
NONOPERATING REVENUES (EXPENSES):			
Taxes	-	792,580	792,580
Investment income	41,500	3,592	45,092
Miscellaneous	19,400	9,917	29,317
Interest expense	(45,849)	(196,023)	(241,872)
CAPITAL CONTRIBUTIONS	23,670	34,450	58,120
TRANSFERS IN	-	1,239,155	1,239,155
TRANSFERS OUT	<u>(564,532)</u>	<u>(336,023)</u>	<u>(900,555)</u>
CHANGES IN NET ASSETS	(113,602)	1,192,973	1,079,371
NET ASSETS, JULY 1	<u>5,680,174</u>	<u>10,970,114</u>	<u>16,650,288</u>
NET ASSETS, JUNE 30	<u>\$5,566,572</u>	<u>12,163,087</u>	<u>17,729,659</u>

Condensed Statement Of Cash Flows For The Year Ended June 30, 2009			
	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
Net cash provided by (used in):			
Operating activities	\$463,080	(4,619)	458,461
Noncapital financing activities	(282,319)	707,211	424,892
Capital and related financing activities	(804,568)	(697,146)	(1,501,714)
Investing activities	<u>60,900</u>	<u>13,509</u>	<u>74,409</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(562,907)	18,955	(543,952)
CASH AND CASH EQUIVALENTS, JULY 1	<u>637,112</u>	<u>1,660,292</u>	<u>2,297,404</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 74,205</u>	<u>1,679,247</u>	<u>1,753,452</u>

NOTE K - SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 26, 2009, the date which the financial statements were available for issue.

REQUIRED SUPPLEMENTAL INFORMATION SECTION

CITY OF UNION, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES				
Taxes	\$ 4,019,600	4,236,750	4,246,313	9,563
Fines and forfeitures	143,200	99,100	111,930	12,830
Licenses and permits	118,600	90,850	102,739	11,889
Charges for services	497,000	559,950	559,998	48
Intergovernmental	1,826,783	468,078	457,831	(10,247)
Investment income	185,000	133,200	133,210	10
Rental income	40,000	71,900	71,911	11
Miscellaneous	24,000	39,350	49,228	9,878
Total Revenues	<u>6,854,183</u>	<u>5,699,178</u>	<u>5,733,160</u>	<u>33,982</u>
EXPENDITURES				
Current:				
General government:				
Mayor and board:				
Personnel services	24,435	24,435	24,636	201
General services	19,400	19,400	17,589	(1,811)
Total Mayor And Board	<u>43,835</u>	<u>43,835</u>	<u>42,225</u>	<u>(1,610)</u>
City clerk:				
Personnel services	92,566	92,566	90,714	(1,852)
Supplies and materials	4,300	4,300	3,507	(793)
General services	13,900	13,900	8,515	(5,385)
Maintenance and repairs	20,000	20,000	20,136	136
Total City Clerk	<u>130,766</u>	<u>130,766</u>	<u>122,872</u>	<u>(7,894)</u>
City administrator:				
Personnel services	164,135	164,135	162,433	(1,702)
Supplies and materials	2,500	2,500	1,423	(1,077)
General services	7,850	7,850	6,419	(1,431)
Maintenance and repairs	3,500	3,500	4,015	515
Total City Administrator	<u>177,985</u>	<u>177,985</u>	<u>174,290</u>	<u>(3,695)</u>
City collector:				
Personnel services	41,170	41,170	41,129	(41)
Supplies and materials	2,600	2,600	1,961	(639)
Total City Collector	<u>43,770</u>	<u>43,770</u>	<u>43,090</u>	<u>(680)</u>

(Continued)

CITY OF UNION, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
EXPENDITURES (Continued)				
Current (Continued):				
General government (Continued):				
City attorney:				
General services	<u>32,750</u>	<u>32,750</u>	<u>26,099</u>	<u>(6,651)</u>
Municipal court:				
Personnel services	35,315	35,315	35,219	(96)
Supplies and materials	1,750	1,750	514	(1,236)
General services	7,000	7,000	8,521	1,521
Maintenance and repairs	<u>2,480</u>	<u>2,480</u>	<u>1,161</u>	<u>(1,319)</u>
Total Municipal Court	<u>46,545</u>	<u>46,545</u>	<u>45,415</u>	<u>(1,130)</u>
Incidental:				
Personnel services	690,000	710,750	704,060	(6,690)
Supplies and materials	11,000	11,000	10,710	(290)
General services	292,450	319,350	306,926	(12,424)
Maintenance and repairs	<u>10,800</u>	<u>3,700</u>	<u>2,973</u>	<u>(727)</u>
Total Incidental	<u>1,004,250</u>	<u>1,044,800</u>	<u>1,024,669</u>	<u>(20,131)</u>
Legals and elections:				
General service	<u>14,200</u>	<u>27,600</u>	<u>27,404</u>	<u>(196)</u>
Total General Government	<u>1,494,101</u>	<u>1,548,051</u>	<u>1,506,064</u>	<u>(41,987)</u>
Public safety:				
Personnel services	1,080,625	1,126,725	1,125,995	(730)
Supplies and materials	309,846	183,036	170,369	(12,667)
General services	73,025	73,025	60,261	(12,764)
Maintenance and repairs	86,700	86,700	72,714	(13,986)
Capital outlay	<u>128,908</u>	<u>128,908</u>	<u>117,637</u>	<u>(11,271)</u>
Total Public Safety	<u>1,679,104</u>	<u>1,598,394</u>	<u>1,546,976</u>	<u>(51,418)</u>
Street department:				
Personnel services	365,162	334,262	330,782	(3,480)
Supplies and materials	107,150	107,150	92,076	(15,074)
General services	119,250	43,550	38,508	(5,042)

(Continued)

CITY OF UNION, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
EXPENDITURES (Continued)				
Current (Continued):				
Street department (Continued):				
Maintenance and repairs	564,400	154,400	139,163	(15,237)
Capital outlay	2,560,012	1,479,812	1,468,169	(11,643)
Total Street Department	3,715,974	2,119,174	2,068,698	(50,476)
Refuse collection and other:				
Cemetery:				
General services	60	60	2	(58)
Maintenance and repairs	15,000	15,000	10,586	(4,414)
Total Cemetery	15,060	15,060	10,588	(4,472)
Sanitation:				
General services	450,000	502,113	502,063	(50)
Total Refuse Collection And Other	465,060	517,173	512,651	(4,522)
Planning and development:				
Engineering services:				
Personnel services	144,670	144,670	144,000	(670)
Supplies and materials	2,520	2,520	2,579	59
General services	1,400	1,400	896	(504)
Maintenance and repairs	6,300	6,300	5,599	(701)
Total Engineering Services	154,890	154,890	153,074	(1,816)
Economic development:				
Personnel services	77,480	89,830	89,800	(30)
Supplies and materials	1,750	1,750	587	(1,163)
General services	19,480	19,480	8,514	(10,966)
Maintenance and repairs	1,525	1,525	1,105	(420)
Capital outlay	149,982	150,132	150,120	(12)
Total Economic Develop- ment	250,217	262,717	250,126	(12,591)
Total Planning And De- velopment	405,107	417,607	403,200	(14,407)

(Continued)

CITY OF UNION, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
EXPENDITURES (Continued)				
Current (Continued):				
Building maintenance:				
Personnel services	34,235	37,435	37,362	(73)
Supplies and materials	9,000	9,000	10,020	1,020
General services	20,370	20,370	18,506	(1,864)
Maintenance and repairs	16,900	16,900	15,100	(1,800)
Capital outlay	13,635	15,835	15,787	(48)
Total Building Maintenance	<u>94,140</u>	<u>99,540</u>	<u>96,775</u>	<u>(2,765)</u>
Total Expenditures	<u>7,853,486</u>	<u>6,299,939</u>	<u>6,134,364</u>	<u>(165,575)</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>(999,303)</u>	<u>(600,761)</u>	<u>(401,204)</u>	<u>199,557</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	1,500	95,100	94,745	(355)
Transfers in	1,520,000	1,520,000	1,942,919	422,919
Transfers out	<u>(445,374)</u>	<u>(445,374)</u>	<u>(445,374)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1,076,126</u>	<u>1,169,726</u>	<u>1,592,290</u>	<u>422,564</u>
NET CHANGE IN FUND BALANCE	<u>\$ 76,823</u>	<u>568,965</u>	<u>1,191,086</u>	<u>622,121</u>
FUND BALANCE, JULY 1			<u>4,482,545</u>	
FUND BALANCE, JUNE 30			<u>\$ 5,673,631</u>	

CITY OF UNION, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - PARK FUND - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES				
Taxes	\$ 226,500	225,800	226,384	584
Charges for services	201,480	194,120	199,294	5,174
Intergovernmental	17,500	3,300	3,355	55
Investment income	12,000	12,000	13,216	1,216
Miscellaneous	44,250	36,725	37,020	295
Total Revenues	<u>501,730</u>	<u>471,945</u>	<u>479,269</u>	<u>7,324</u>
EXPENDITURES				
Current:				
Culture and recreation	775,214	1,867,480	1,803,051	(64,429)
Debt service:				
Interest and fiscal charges	-	12,600	12,597	(3)
Capital outlay	30,000	37,800	36,550	(1,250)
Total Expenditures	<u>805,214</u>	<u>1,917,880</u>	<u>1,852,198</u>	<u>(65,682)</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>(303,484)</u>	<u>(1,445,935)</u>	<u>(1,372,929)</u>	<u>73,006</u>
OTHER FINANCING SOURCES				
Note payable	-	1,095,250	1,095,250	-
Transfers in	319,500	330,013	330,013	-
Total Other Financing Sources	<u>319,500</u>	<u>1,425,263</u>	<u>1,425,263</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 16,016</u>	<u>(20,672)</u>	52,334	<u>73,006</u>
FUND BALANCE, JULY 1			<u>467,365</u>	
FUND BALANCE, JUNE 30			<u>\$ 519,699</u>	

CITY OF UNION, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND
ACTUAL - TRANSPORTATION TAX FUND - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Taxes	\$ 774,000	792,800	792,954	154
Investment income	10,000	34,200	34,215	15
Total Revenues	<u>784,000</u>	<u>827,000</u>	<u>827,169</u>	<u>169</u>
OTHER FINANCING USES				
Transfers out	<u>(1,520,000)</u>	<u>(1,520,000)</u>	<u>(1,520,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (736,000)</u>	<u>(693,000)</u>	<u>(692,831)</u>	<u>169</u>
FUND BALANCE, JULY 1			<u>1,377,085</u>	
FUND BALANCE, JUNE 30			<u>\$ 684,254</u>	

CITY OF UNION, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION -
NOTES TO SCHEDULES OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

Budgetary Data

The City follows the procedures outlined below in establishing the budgetary data reflected in the financial statements:

- a. Prior to July 1, the Finance Officer submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- b. Prior to July 1, the budget is legally enacted through passage of an ordinance.
- c. Budgets are adopted on a basis generally consistent with U.S. generally accepted accounting principles except Enterprise Funds which include capital outlay as an expense.
- d. Current year budget includes amendments.
- e. Budget amendments at the department level must be approved by the Board of Aldermen. The City Administrator may authorize transfers of appropriations within a department.

OTHER SUPPLEMENTAL INFORMATION SECTION

CITY OF UNION, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - COMBINING
BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009

	<u>Special Revenue</u>		<u>Debt</u>	
		<u>Stormwater</u>	<u>Service</u>	
	<u>Cemetery</u>	<u>Management</u>	<u>Swimplex</u>	
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Total</u>
ASSETS				
Cash and investments	<u>\$ 62,562</u>	<u>77,790</u>	<u>77,835</u>	<u>218,187</u>
FUND BALANCES				
Unreserved:				
Special Revenue Funds	\$ 62,562	77,790	-	140,352
Debt Service Funds	<u>-</u>	<u>-</u>	<u>77,835</u>	<u>77,835</u>
Total Fund Balances	<u>\$ 62,562</u>	<u>77,790</u>	<u>77,835</u>	<u>218,187</u>

CITY OF UNION, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - COMBINING STATEMENT
OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Special Revenue</u>		<u>Debt</u>	
		<u>Stormwater</u>	<u>Service</u>	
	<u>Cemetery</u>	<u>Management</u>	<u>Swimplex</u>	<u>Total</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	
REVENUES				
Investment income	\$ 1,843	2,323	2,573	6,739
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER EXPENDI- TURES	<u>1,843</u>	<u>2,323</u>	<u>2,573</u>	<u>6,739</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	1,101	-	-	1,101
Transfers out	<u>-</u>	<u>-</u>	<u>(10,513)</u>	<u>(10,513)</u>
Total Other Financing Sources (Uses)	<u>1,101</u>	<u>-</u>	<u>(10,513)</u>	<u>(9,412)</u>
NET CHANGES IN FUND BALANCES	2,944	2,323	(7,940)	(2,673)
FUND BALANCES, JULY 1	<u>59,618</u>	<u>75,467</u>	<u>85,775</u>	<u>220,860</u>
FUND BALANCES, JUNE 30	<u>\$ 62,562</u>	<u>77,790</u>	<u>77,835</u>	<u>218,187</u>

CITY OF UNION, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND
ACTUAL - CEMETERY FUND - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Investment income	\$ 1,000	1,843	843
OTHER FINANCING SOURCES			
Sale of capital assets	<u>750</u>	<u>1,101</u>	<u>351</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ 1,750</u></u>	<u>2,944</u>	<u><u>1,194</u></u>
FUND BALANCE, JULY 1		<u>59,618</u>	
FUND BALANCE, JUNE 30		<u><u>\$ 62,562</u></u>	

CITY OF UNION, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND
ACTUAL - STORMWATER MANAGEMENT FUND - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES				
Investment income	\$ 2,000	2,000	2,323	323
Miscellaneous	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 12,000</u>	<u>2,000</u>	2,323	<u>323</u>
FUND BALANCE, JULY 1			<u>75,467</u>	
FUND BALANCE, JUNE 30			<u>\$ 77,790</u>	

CITY OF UNION, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET
AND ACTUAL - SWIMPLEX FUND - DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES				
Investment income	\$ 2,500	2,500	2,573	73
OTHER FINANCING USES				
Transfers out	<u>-</u>	<u>(10,513)</u>	<u>(10,513)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 2,500</u>	<u>(8,013)</u>	<u>(7,940)</u>	<u>73</u>
FUND BALANCE, JULY 1			<u>85,775</u>	
FUND BALANCE, JUNE 30			<u>\$ 77,835</u>	

CITY OF UNION, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDI-
TURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
2006B CERTIFICATES OF PARTICIPATION FUND - DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES				
Investment income	\$ 78,000	9,100	9,104	4
Miscellaneous	100,000	428,300	428,338	38
	<u>178,000</u>	<u>437,400</u>	<u>437,442</u>	<u>42</u>
EXPENDITURES				
Debt service:				
Principal	255,000	1,795,000	1,795,000	-
Interest and fiscal charges	214,396	57,296	53,722	(3,574)
Total Expenditures	<u>469,396</u>	<u>1,852,296</u>	<u>1,848,722</u>	<u>(3,574)</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>(291,396)</u>	<u>(1,414,896)</u>	<u>(1,411,280)</u>	<u>3,616</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	461,897	461,897	461,897	-
Transfers out	<u>-</u>	<u>(1,840)</u>	<u>(1,097,542)</u>	<u>1,095,702</u>
Total Other Financing Sources (Uses)	<u>461,897</u>	<u>460,057</u>	<u>(635,645)</u>	<u>(1,095,702)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 170,501</u>	<u>(954,839)</u>	<u>(2,046,925)</u>	<u>(1,092,086)</u>
FUND BALANCE, JULY 1			<u>2,572,409</u>	
FUND BALANCE, JUNE 30			<u>\$ 525,484</u>	

CITY OF UNION, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - STATEMENT OF
REVENUES, EXPENSES, AND CHANGE IN NET ASSETS -
BUDGET AND ACTUAL - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
OPERATING REVENUES				
Charges for services:				
Water	\$ 1,088,600	1,041,400	1,041,994	594
Sewer	797,000	768,200	768,407	207
Total Operating Revenues	<u>1,885,600</u>	<u>1,809,600</u>	<u>1,810,401</u>	<u>801</u>
OPERATING EXPENSES				
Depreciation	-	496,500	496,352	(148)
Amortization	-	8,400	8,353	(47)
Water	1,421,531	1,479,251	473,866	(1,005,385)
Sewer	1,178,254	791,304	774,296	(17,008)
Total Operating Expenses	<u>2,599,785</u>	<u>2,775,455</u>	<u>1,752,867</u>	<u>(1,022,588)</u>
OPERATING INCOME (LOSS)	<u>(714,185)</u>	<u>(965,855)</u>	<u>57,534</u>	<u>1,023,389</u>
NONOPERATING REVENUES (EXPENSES)				
Taxes	760,000	792,400	792,580	180
Investment income	49,000	38,500	45,092	6,592
Miscellaneous	15,000	24,900	29,317	4,417
Interest expense	-	(242,000)	(241,872)	128
Total Nonoperating Revenues (Expenses)	<u>824,000</u>	<u>613,800</u>	<u>625,117</u>	<u>11,317</u>
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>109,815</u>	<u>(352,055)</u>	<u>682,651</u>	<u>1,034,706</u>
CAPITAL CONTRIBUTIONS	<u>-</u>	<u>34,450</u>	<u>58,120</u>	<u>23,670</u>
TRANSFERS				
Transfers in	-	566,350	1,239,155	672,805
Transfers out	(336,023)	(900,563)	(900,555)	(8)
Total Transfers	<u>(336,023)</u>	<u>(334,213)</u>	<u>338,600</u>	<u>672,813</u>
CHANGE IN NET ASSETS	<u>\$ (226,208)</u>	<u>(651,818)</u>	<u>1,079,371</u>	<u>1,731,189</u>
NET ASSETS, JULY 1			<u>16,650,288</u>	
NET ASSETS, JUNE 30			<u>\$ 17,729,659</u>	

SECTION III
STATISTICAL INFORMATION SECTION

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

Contents**Pages****Financial Trends**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

57 - 63

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

63 - 67

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

68 - 70

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

71 - 74

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

75 - 76

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

CITY OF UNION, MISSOURI

NET ASSETS BY COMPONENT

LAST FIVE FISCAL YEARS

	June 30				
	2009	2008	2007	2006	2005
Governmental Activities					
Invested in capital assets, net of related debt	\$ 14,001,754	11,862,875	4,910,623	1,834,521	719,883
Restricted	1,947,624	4,637,719	2,076,840	711,290	660,220
Unrestricted	5,699,764	4,533,001	3,892,677	5,006,153	3,991,252
Total Governmental Activities Net Assets	<u>\$ 21,649,142</u>	<u>21,033,595</u>	<u>10,880,140</u>	<u>7,551,964</u>	<u>5,371,355</u>
Business-type Activities					
Invested in capital assets, net of related debt	\$ 15,633,177	14,816,373	13,230,426	10,139,687	8,274,947
Restricted	1,215,391	1,116,280	866,074	1,160,032	859,113
Unrestricted	881,091	717,635	1,127,733	554,647	1,455,902
Total Business-type Activities Net Assets	<u>\$ 17,729,659</u>	<u>16,650,288</u>	<u>15,224,233</u>	<u>11,854,366</u>	<u>10,589,962</u>
Primary Government					
Invested in capital assets, net of related debt	\$ 29,634,931	26,679,248	18,141,049	11,974,208	8,994,830
Restricted	3,163,015	5,753,999	2,942,914	1,871,322	1,519,333
Unrestricted	6,580,855	5,250,636	5,020,410	5,560,800	5,447,154
Total Primary Govern- ment Net Assets	<u>\$ 39,378,801</u>	<u>37,683,883</u>	<u>26,104,373</u>	<u>19,406,330</u>	<u>15,961,317</u>

Source: Basic financial statements.

GASB 34 was implemented in 2005.

CITY OF UNION, MISSOURI
CHANGES IN NET ASSETS
LAST FIVE FISCAL YEARS

		For The Years Ended June 30				
		2009	2008	2007	2006	2005
EXPENSES						
Governmental Activities						
General government	\$	1,512,762	1,409,039	1,318,463	1,209,771	1,120,103
Public safety		1,495,039	1,352,696	1,158,425	1,092,411	985,320
Street department		1,696,109	916,981	733,879	602,777	569,234
Refuse collection and other		512,651	489,344	455,528	435,822	433,317
Culture and recreation		748,890	716,764	646,279	590,671	594,940
Planning and development		405,875	468,972	377,899	286,525	244,625
Building maintenance		100,942	84,915	78,277	70,398	58,993
Interest and fiscal charges		327,304	134,636	147,184	215,311	216,877
Total Governmental Activities						
Expenses		6,799,572	5,573,347	4,915,934	4,503,686	4,223,409
Business-type Activities						
Water/sewer		1,994,739	1,837,237	1,671,242	1,414,645	1,378,748
Total Primary Government						
Expenses		8,794,311	7,410,584	6,587,176	5,918,331	5,602,157
PROGRAM REVENUES						
Governmental Activities						
Charges for services:						
General government		104,800	145,709	134,165	245,323	186,800
Public safety		179,989	163,715	177,447	145,883	111,622
Street department		642	1,651	5,895	-	-
Refuse collection and other		499,050	473,582	444,972	418,900	393,426
Culture and recreation		213,116	237,257	203,906	211,525	202,111
Planning and development		16,272	-	941	-	-
Operating grants and contributions		426,906	458,802	374,997	-	-
Capital grants and contributions		508,810	6,508,952	2,301,269	313,304	39,833
Total Governmental Activities						
Program Revenues		1,949,585	7,989,668	3,643,592	1,334,935	933,792
Business-type Activities						
Charges for services:						
Water/sewer		1,810,401	1,899,237	1,826,753	1,801,907	1,638,626
Operating grants and contributions		-	22,351	-	-	-
Capital grants and contributions		58,120	680,401	1,197,277	-	-
Total Business-type Activities						
Program Revenues		1,868,521	2,601,989	3,024,030	1,801,907	1,638,626
Total Primary Government						
Program Revenues		3,818,106	10,591,657	6,667,622	3,136,842	2,572,418

(Continued)

CITY OF UNION, MISSOURI
CHANGES IN NET ASSETS (Continued)
LAST FIVE FISCAL YEARS

	For The Years Ended June 30				
	2009	2008	2007	2006	2005
NET REVENUES (EXPENSES)					
Governmental activities	(4,849,987)	2,416,321	(1,272,342)	(3,168,751)	(3,289,617)
Business-type activities	(126,218)	764,752	1,352,788	387,262	259,878
Total Primary Government					
Net Revenues (Expenses)	(4,976,205)	3,181,073	80,446	(2,781,489)	(3,029,739)
GENERAL REVENUES AND OTHER					
CHANGES IN NET ASSETS					
Governmental Activities					
Taxes:					
Sales	2,378,862	2,523,912	2,391,467	2,284,329	2,194,395
Property	1,007,328	974,171	907,026	843,656	756,917
Franchise	1,215,314	1,385,504	998,653	921,519	853,945
Other	384,789	338,589	260,541	519,366	637,131
Investment income	196,484	234,887	223,812	132,041	72,374
Gain on sale of assets	94,746	1,947,996	38,320	710,886	-
Rental income	71,911	56,183	51,761	-	-
Miscellaneous	454,700	18,174	326,989	20,652	149,219
Transfers	(338,600)	257,718	(1,009,448)	(11,806)	(7,243)
Total Governmental Activities					
General Revenues And					
Other Changes In Net					
Assets	5,465,534	7,737,134	4,189,121	5,420,643	4,656,738
Business-type Activities					
Sales taxes	792,580	840,905	796,675	637,320	365,725
Investment income	45,092	47,548	56,841	49,342	24,538
Miscellaneous	29,317	30,568	17,414	178,674	154,805
Transfers	338,600	(257,718)	1,009,448	11,806	7,243
Total Business-type Activities					
General Revenues And					
Other Changes In Net					
Assets	1,205,589	661,303	1,880,378	877,142	552,311
Total Primary Government					
General Revenues And					
Other Changes In Net					
Assets	6,671,123	8,398,437	6,069,499	6,297,785	5,209,049
CHANGES IN NET ASSETS					
Governmental activities	615,547	10,153,455	2,916,779	2,251,892	1,367,121
Business-type activities	1,079,371	1,426,055	3,233,166	1,264,404	812,189
Total Primary Government	\$ 1,694,918	11,579,510	6,149,945	3,516,296	2,179,310

Source: Basic financial statements.

GASB 34 was implemented in 2005.

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

	June 30				
	2009	2008	2007	2006	2005
General Fund					
Reserved	\$ 144,600	73,124	113,447	70,114	75,523
Unreserved	<u>5,529,031</u>	<u>4,409,421</u>	<u>3,791,645</u>	<u>3,672,232</u>	<u>2,983,652</u>
Total General Fund	<u>\$ 5,673,631</u>	<u>4,482,545</u>	<u>3,905,092</u>	<u>3,742,346</u>	<u>3,059,175</u>
Park Fund					
Reserved	\$ 28,355	13,500	14,000	22,188	21,290
Unreserved	<u>491,344</u>	<u>453,865</u>	<u>404,518</u>	<u>257,738</u>	<u>187,967</u>
Total Park Fund	<u>\$ 519,699</u>	<u>467,365</u>	<u>418,518</u>	<u>279,926</u>	<u>209,257</u>
Transportation Tax Fund					
Reserved	\$ -	-	-	-	-
Unreserved	<u>684,254</u>	<u>1,377,085</u>	<u>503,800</u>	<u>404,077</u>	<u>325,993</u>
Total Transportation Tax Fund	<u>\$ 684,254</u>	<u>1,377,085</u>	<u>503,800</u>	<u>404,077</u>	<u>325,993</u>
2000 Certificates Of Participation Fund					
Reserved	\$ -	-	-	410,481	-
Unreserved	<u>-</u>	<u>-</u>	<u>-</u>	<u>267,988</u>	<u>-</u>
Total 2000 Certificates Of Participation Fund	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>678,469</u>	<u>-</u>
2006B Certificates Of Participation Fund					
Reserved	\$ 227,500	227,814	227,500	-	-
Unreserved	<u>297,984</u>	<u>2,344,595</u>	<u>504,997</u>	<u>-</u>	<u>-</u>
Total 2006B Certificates Of Participation Fund	<u>\$ 525,484</u>	<u>2,572,409</u>	<u>732,497</u>	<u>-</u>	<u>-</u>
All Other Governmental Funds					
Reserved	\$ -	-	208,647	208,507	563,807
Unreserved, reported in:					
Special Revenue Funds	140,352	135,085	122,682	81,405	45,878
Capital Projects Funds	-	-	-	299,186	291,627
Debt Service Funds	<u>77,835</u>	<u>85,775</u>	<u>90,696</u>	<u>93,620</u>	<u>233,038</u>
Total All Other Governmental Funds	<u>\$ 218,187</u>	<u>220,860</u>	<u>422,025</u>	<u>682,718</u>	<u>1,134,350</u>

Source: Basic financial statements.

GASB 34 was implemented in 2005.

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

	For The Years Ended June 30				
	2009	2008	2007	2006	2005
REVENUES					
Taxes	\$ 5,265,651	5,501,547	4,892,028	4,568,870	4,442,387
Fines and forfeitures	111,930	128,722	134,838	145,883	111,622
Licenses and permits	102,739	144,464	132,872	200,545	146,068
Charges for services	759,292	680,594	631,525	586,172	557,244
Intergovernmental	461,186	696,473	100,090	41,553	39,833
Investment income	196,484	234,887	223,812	132,041	72,376
Rental income	71,911	56,183	51,761	43,492	39,327
Miscellaneous	514,586	97,135	154,957	82,816	62,299
Total Revenues	<u>7,483,779</u>	<u>7,540,005</u>	<u>6,321,883</u>	<u>5,801,372</u>	<u>5,471,156</u>
EXPENDITURES					
General government	1,506,064	1,395,844	1,306,823	1,197,458	1,103,574
Public safety	1,429,339	1,239,194	1,048,852	1,034,736	947,302
Street department	600,529	523,690	439,864	437,740	429,985
Refuse collection and other	512,651	489,344	455,528	435,822	433,317
Culture and recreation	1,803,051	587,083	528,041	503,763	463,890
Planning and development	253,080	278,800	332,099	282,536	217,576
Building maintenance	80,988	67,445	54,394	54,450	49,248
Capital outlay	1,788,263	1,713,852	873,900	678,903	744,214
Debt service:					
Principal	1,795,000	270,000	210,000	614,947	145,000
Interest and fiscal charges	66,319	112,124	79,000	215,311	218,156
Bond issue costs	-	-	68,651	-	-
Total Expenditures	<u>9,835,284</u>	<u>6,677,376</u>	<u>5,397,152</u>	<u>5,455,666</u>	<u>4,752,262</u>
REVENUES OVER (UNDER)					
EXPENDITURES	<u>(2,351,505)</u>	<u>862,629</u>	<u>924,731</u>	<u>345,706</u>	<u>718,894</u>
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	95,846	1,974,898	316,579	724,861	2,850
Capital lease	-	43,087	21,518	-	-
Note payable	1,095,250	-	-	-	-
Issuance of certificates of participation	-	-	2,275,000	-	-
Payment to escrow agent	-	-	(2,626,507)	-	-
Bond discount	-	-	(15,100)	-	-
Transfers in	2,734,829	995,555	2,232,235	2,352,682	1,178,753
Transfers out	<u>(3,073,429)</u>	<u>(737,837)</u>	<u>(3,241,683)</u>	<u>(2,364,488)</u>	<u>(1,185,996)</u>
Total Other Financing Sources (Uses)	<u>852,496</u>	<u>2,275,703</u>	<u>(1,037,958)</u>	<u>713,055</u>	<u>(4,393)</u>
NET CHANGES IN FUND BALANCES	<u>\$ (1,499,009)</u>	<u>3,138,332</u>	<u>(113,227)</u>	<u>1,058,761</u>	<u>714,501</u>
Debt service as a percentage of noncapital expenditures	25.1 %	7.4	7.6	17.4	9.1

Source: Basic financial statements.

GASB 34 was implemented in 2005.

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

FUNCTIONS/PROGRAMS	Program Revenues				
	2009	2008	2007	2006	2005
Governmental Activities					
General government	\$ 104,800	145,709	134,165	517,074	186,800
Public safety	179,989	340,771	332,037	187,436	151,455
Street department	642	6,778,374	2,520,718	-	-
Refuse collection and other	499,050	473,582	444,972	418,900	393,426
Culture and recreation	213,116	251,232	210,759	211,525	202,111
Planning and development	16,272	-	941	-	-
Total Governmental Activities	1,013,869	7,989,668	3,643,592	1,334,935	933,792
Business-type Activities					
Water/sewer	1,810,401	2,601,989	3,024,030	1,801,907	1,638,626
Total Primary Government	<u>\$2,824,270</u>	<u>10,591,657</u>	<u>6,667,622</u>	<u>3,136,842</u>	<u>2,572,418</u>

Source: Basic financial statements.

GASB 34 was implemented in 2005.

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

Fiscal Year	Sales Taxes	Property Taxes	Franchise Taxes	Other Taxes	Total
2009	\$ 2,378,862	\$ 997,214	\$ 1,215,314	\$ 674,261	\$ 5,265,651
2008	2,523,912	945,460	1,385,504	646,671	5,501,547
2007	2,391,467	907,026	998,653	594,882	4,892,028
2006	2,284,329	843,656	921,519	519,366	4,568,870
2005	2,194,395	756,917	853,945	637,131	4,442,388

Source: Required supplemental information and basic financial statements.

GASB 34 was implemented in 2005.

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

Fiscal Year	Calendar Year	Real Estate			Assessed Value	Estimated Actual Value	Personal Property	
		Residential Property	Commercial Property	Agricultural Property			Assessed Value	Estimated Actual Value
2009	2008	\$ 77,384,338	\$ 49,068,689	\$ 1,435,266	\$ 127,888,293	\$ 572,586,193	\$ 29,007,786	\$ 85,647,075
2008	2007	74,756,189	47,180,068	1,647,990	123,584,247	554,624,589	25,386,219	83,962,170
2007	2006	62,528,100	43,971,403	1,241,911	107,741,414	476,855,156	23,512,252	87,023,358
2006	2005	58,141,116	42,080,582	967,100	101,188,798	445,566,859	23,323,090	76,158,657
2005	2004	46,894,294	35,837,738	1,129,441	83,861,473	368,217,013	25,725,561	70,536,756
2004	2003	43,848,344	34,293,794	1,251,130	79,393,268	348,374,947	25,129,848	69,969,270
2003	2002	40,908,830	32,967,263	616,762	74,492,855	323,472,012	22,700,024	77,176,683
2002	2001	39,262,013	31,339,221	578,519	71,179,753	309,398,231	20,013,683	75,389,544
2001	2000	35,168,850	26,983,774	858,772	63,011,396	276,579,938	28,549,025	68,100,072
2000	1999	33,515,533	25,466,366	221,498	59,203,397	257,825,753	27,987,390	60,041,049

Fiscal Year	Calendar Year	Railroad And Utility		Total		Ratio Of Total Assessed Value To Total Estimated Actual Value
		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2009	2008	\$ 4,382,683	\$ 13,562,416	\$ 160,820,001	\$ 671,795,684	23.9 %
2008	2007	4,453,221	13,775,317	156,024,858	652,362,076	23.9
2007	2006	4,161,403	12,875,367	140,910,603	576,753,881	24.4
2006	2005	3,989,071	12,353,230	130,564,088	534,078,746	24.4
2005	2004	3,870,789	11,966,055	111,244,514	450,719,824	24.7
2004	2003	3,384,651	10,477,379	106,101,009	428,821,596	24.7
2003	2002	3,429,437	10,611,876	103,647,853	411,260,571	25.2
2002	2001	3,699,203	11,430,929	100,008,804	396,218,704	25.2
2001	2000	3,667,577	11,321,443	89,378,997	356,001,453	25.1
2000	1999	3,713,962	11,279,952	82,931,042	329,146,754	25.2

Notes:

Assessments are determined by the Assessor of Franklin County as of January 1. Property has an assessed value to estimated actual value as follows: commercial real estate 32%, residential real estate 19%, agricultural real estate 12%, and personal property 33-1/3%.

Source: Franklin County Assessor.

CITY OF UNION, MISSOURI
PROPERTY TAX RATES - DIRECT AND ALL OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
City of Union	0.639	0.636	0.656	0.656	0.694	0.694	0.681	0.670	0.670	0.830
Overlapping governments:										
State of Missouri	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030
Franklin County	0.884	0.884	0.894	0.936	0.946	0.951	0.941	0.932	0.882	0.871
Union Fire Protection District	0.269	0.268	0.279	0.279	0.293	0.293	0.293	0.289	0.293	0.290
Union Ambulance District	0.166	0.165	0.172	0.172	0.180	0.180	0.180	0.180	0.180	0.180
Union School District	3.700	3.510	3.470	3.470	3.470	3.470	3.470	3.470	3.470	3.470
East Central College	0.435	0.431	0.447	0.447	0.437	0.469	0.454	0.453	0.448	0.450
The Franklin County Library District	0.092	0.091	0.096	0.096	0.100	0.100	0.100	0.097	0.098	0.083

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

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

Taxpayer	2009			2000		
	Taxable Assessed Valuation	Rank	Percentage Of Total City Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage Of Total City Taxable Assessed Value
Esselte Pendaflex Corp.	\$ 3,812,169	1	2.37 %	2,590,461	1	3.12 %
Wal-Mart Supercenter	1,904,742	2	1.18	1,224,749	2	1.48
Union Housing Association	1,835,151	3	1.14	-		-
D R G Plastics	1,102,224	4	0.69	556,320	5	0.67
Franklin Co. Medical Outreach	730,448	5	0.45	695,430	3	0.84
Jelco Realty	701,056	6	0.44	-		-
Pharma Tech Industries	688,195	7	0.43	407,754	10	0.49
Pace Union Associates	579,891	8	0.36	-		-
Union Hospitality Services	558,544	9	0.35	-		-
P C A Enterprise	546,307	10	0.34	473,571	7	0.57
MO Natural Gas	-		-	644,358	4	0.78
West Park LLC	-		-	483,146	6	0.58
St. Johns Mercy Medical	-		-	432,701	8	0.52
Transaction Technologies	-		-	420,774	9	0.51
	<u>\$ 12,458,727</u>		<u>7.75 %</u>	<u>\$ 7,929,264</u>		<u>9.56 %</u>

Source: Franklin County IT Department.

CITY OF UNION, MISSOURI
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Tax Levy Year	Net Tax Levy	Current Tax Collections	Percent Collected As Current	Delinquent Tax Collections	Total Tax Collections	Total Collections As Percent Of Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes As Percent Of Levy
2009	2008	\$ 1,005,337	\$ 895,015	89.0 %	\$ 104,438	\$ 999,453	99.4 %	\$ 110,322	4.23 %
2008	2007	965,544	842,659	87.3	92,112	934,771	96.8	122,885	6.11
2007	2006	897,501	797,497	88.9	187,721	985,218	109.8	100,004	2.70
2006	2005	830,814	655,009	78.8	83,840	738,849	88.9	175,805	2.97
2005	2004	747,925	663,536	88.7	78,060	741,596	99.2	84,389	4.45
2004	2003	713,666	636,528	89.2	121,445	757,973	106.2	77,138	10.18
2003	2002	684,526	536,318	78.3	181,228	717,546	104.8	148,208	20.65
2002	2001	543,400	435,354	80.1	21,324	456,678	84.0	108,046	23.66
2001	2000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2000	1999	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: The City's tax database.

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

Fiscal Year	Governmental Activities				Business-type Activities			Total Primary Government	Per Capita (1)
	Capital Lease Obligations	Certificates Of Participation	Leasehold Revenue Bonds	Loan Payable	Capital Lease Obligation	Certificates Of Participation	Leasehold Revenue Bonds		
2009	\$ 14,020	\$ -	\$ -	\$ 1,095,250	\$ 856,399	\$ 3,910,000	\$ -	\$ 5,875,669	N/A
2008	34,407	1,795,000	-	-	900,169	4,045,000	-	6,774,576	\$ 700
2007	43,376	2,065,000	-	-	941,723	4,615,000	-	7,665,099	810
2006	71,030	2,345,000	-	-	981,173	790,000	-	4,187,203	450
2005	29,236	2,860,000	-	-	1,018,625	1,305,000	-	5,212,861	600
2004	-	2,890,000	-	-	1,054,182	1,800,000	-	5,744,182	682
2003	23,395	3,100,000	-	-	1,087,937	2,270,000	-	6,481,332	789
2002	45,570	3,270,000	475,000	-	1,390,000	-	730,000	5,910,570	735
2001	-	3,545,000	575,000	-	1,685,000	-	830,000	6,635,000	845
2000	-	3,545,000	670,000	-	1,835,000	-	925,000	6,975,000	899

(1) See Demographics and Economic Statistics Table

Note: Details regarding the City's outstanding debt can be found in the notes to financial statements.

CITY OF UNION, MISSOURI
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2009

<u>Name Of Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share Of Overlapping Debt</u>
East Central College	\$ 20,284,309	11.00 %	\$ 2,231,274
Union R-11	<u>42,764,194</u>	100.00	<u>42,764,194</u>
	63,048,503		44,995,468
City direct debt	<u>-</u>	100.00 %	<u>-</u>
Total Direct And Overlapping Debt	<u><u>\$ 63,048,503</u></u>		<u><u>\$ 44,995,468</u></u>

Source: Information was obtained by contacting the taxing jurisdiction.

The percentage applicable to the City is based on the jurisdiction's assessed value within the boundaries of the City.

CITY OF UNION, MISSOURI
COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

	Fiscal Years									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Assessed Value	<u>\$160,820,001</u>	<u>156,024,858</u>	<u>140,910,603</u>	<u>130,564,088</u>	<u>111,244,514</u>	<u>106,101,009</u>	<u>103,647,853</u>	<u>100,008,804</u>	<u>89,378,997</u>	<u>82,931,042</u>
Debt Limit - 10% Of Total Assessed Valuation	<u>\$ 16,082,000</u>	<u>15,602,486</u>	<u>14,091,060</u>	<u>13,056,409</u>	<u>11,124,451</u>	<u>10,610,101</u>	<u>10,364,785</u>	<u>10,000,880</u>	<u>8,937,900</u>	<u>8,293,104</u>
Amount Of Debt Subject To Limit										
Total Bonded Debt	-	-	-	-	-	-	-	-	-	-
Less: Amounts Available in Debt Service Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Amount Of Debt Applicable To Debt Limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal Debt Margin	<u>\$ 16,082,000</u>	<u>15,602,486</u>	<u>14,091,060</u>	<u>13,056,409</u>	<u>11,124,451</u>	<u>10,610,101</u>	<u>10,364,785</u>	<u>10,000,880</u>	<u>8,937,900</u>	<u>8,293,104</u>

Note: Bonded indebtedness is limited by Sections 95.111 and 95.120 of the Missouri Revised Statutes (1986) to 10% of the assessed value of taxable tangible property.

CITY OF UNION, MISSOURI
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Median Household Income (2)	Personal Income	Public School Enrollment (3)	Unemployment Rate (4)
2009	N/A	N/A	N/A	3,025	9.3 %
2008	9,684	N/A	N/A	3,001	6.1
2007	9,468	\$ 45,998	\$ 32,407	2,935	4.9
2006	9,309	N/A	31,120	2,912	5.2
2005	8,693	N/A	29,623	2,885	5.6
2004	8,424	N/A	28,484	2,858	5.8
2003	8,219	N/A	27,217	2,938	5.5
2002	8,042	N/A	26,969	N/A	5.3
2001	7,854	N/A	26,242	N/A	4.7
2000	7,757	39,596	25,737	N/A	3.4

Sources:

- (1) U.S. Census
- (2) Regional Commerce and Growth Figures
- (3) Missouri Department of Elementary and Secondary Education
- (4) U.S. Department of Labor Statistics (not seasonally adjusted)

CITY OF UNION, MISSOURI
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO

Employer	2009			2000		
	Employees	Rank	Percent Of Total City Employment	Employees	Rank	Percent Of Total City Employment
Esselte	511	1	11.90 %	388	1	9.15 %
Union RXI School District	384	2	8.94	380	2	8.96
East Central College	353	3	8.22	283	4	6.68
Franklin County Government	329	4	7.66	299	3	7.05
Wal-Mart Supercenter	212	5	4.94	264	5	6.23
Rexam Containers	209	6	4.87	140	7	3.30
Spartan Showcase	122	7	2.84	136	8	3.21
The Children's Factory	114	8	2.66	99	10	2.34
Transaction Technology	80	9	1.86	149	6	3.51
Pharma Tech Industries	75	10	1.75	100	9	2.36
	<u>2,389</u>		<u>55.64 %</u>	<u>2,238</u>		<u>52.79 %</u>

Source: The City's business license database.

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

FUNCTIONS/PROGRAMS	Full-Time Equivalent Employees As Of June 30									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Administration department:										
City administrator	1	1	1	1	1	1	1	1	1	1
Administrative assistant	1	1	1	1	1	1	1	1	1	1
City clerk	1	1	1	1	1	1	1	1	1	1
Deputy city clerk/accounting clerk	1	1	1	1	1	1	1	1	1	1
Finance officer	1	1	-	-	-	-	-	-	-	-
Custodian	1	1	1	1	1	1	1	1	1	1
City attorney	1	1	1	1	1	1	1	1	1	1
City collector	1	1	1	1	1	1	1	1	1	1
Engineering department:										
City engineer	1	1	1	1	1	1	1	1	1	1
Engineering assistant	1	1	1	1	1	1	1	1	1	1
Building inspector	1	1	1	1	1	1	1	1	1	1
Economic development department:										
Economic director	1	1	1	1	1	1	1	1	1	1
Assistant	1	1	1	1	1	1	1	1	1	1
Parks and recreation department:										
Parks and recreation director	1	1	1	1	1	1	1	1	1	1
Recreation coordinator	1	1	1	1	1	1	1	1	1	1
Assistant	-	-	-	-	1	1	1	1	1	1
Maintenance - foreman	1	1	1	1	1	1	1	1	1	1
Maintenance	2	2	2	2	2	2	2	2	2	2
Public works department:										
Public works director	1	1	1	1	1	1	1	-	-	-
Street superintendant	-	-	-	-	-	-	-	1	1	1
Street foreman	1	1	1	1	1	1	1	1	1	1
Street equipment operator	3	3	2	2	2	2	2	2	2	2
Street laborer	4	4	2	1	1	1	1	1	1	1
Street mechanic	2	2	1	1	1	1	1	1	1	1

CITY OF UNION, MISSOURI

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTIONS/PROGRAMS (Continued)

LAST TEN FISCAL YEARS

FUNCTIONS/PROGRAMS	Full-Time Equivalent Employees As Of June 30									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Water/wastewater department:										
Water/wastewater superintendant	-	-	-	-	-	-	-	1	1	1
Water/wastewater foreman	1	1	1	1	1	1	1	-	-	-
Field foreman	1	1	1	-	-	-	-	-	-	-
Water/distribution operator	6	6	2	2	2	2	2	2	2	2
Water/wastewater apprentice	-	-	4	4	4	4	4	4	4	4
Utility billing clerk	1	1	1	1	1	1	1	1	1	1
Accounting clerk	1	1	1	1	1	1	1	1	1	1
Police:										
Police chief	1	1	1	1	1	1	1	1	1	1
Lt. assistant police chief	1	1	1	1	1	1	1	1	1	1
Police sergeant	4	4	4	4	4	4	4	4	4	4
Detective	2	2	1	1	1	1	1	1	1	1
School resource officer	2	1	1	1	1	1	1	1	-	-
Parking control officer	1	1	1	1	1	1	1	1	1	1
Patrol officer	10	9	9	9	9	9	8	8	8	7
Police clerks	2	2	2	2	2	2	2	2	2	2
Municipal court department:										
Municipal court clerk	1	1	1	1	1	1	1	1	1	1
Municipal judge	1	1	1	1	1	1	1	1	1	1

Source: City payroll department records.

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

FUNCTIONS/PROGRAMS	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Police - patrol:										
Arrests	665	475	610	550	600	699	628	698	595	615
Traffic citations	1,573	1,416	1,810	1,715	1,843	1,789	1,546	1,863	2,339	1,464
Crime reports	3,991	3,846	4,187	3,723	3,541	3,729	3,463	3,722	4,057	3,561
Accident reports	520	548	458	349	382	405	381	378	383	418
Public works:										
Road repair - tons of mix	1,453	955	1,868	2,452	3,078	2,579	3,178	2,218	2,017	2,508
Traffic control signs serviced	97	88	253	128	103	115	149	138	-	-
Storm sewer grates and lids inspected	921	1,082	967	795	725	591	591	N/A	N/A	N/A
Parks:										
Acres mowed and maintained	187	187	187	187	187	187	187	187	187	187
Trees and shrubs planted	4	3	25	100	N/A	N/A	N/A	N/A	N/A	N/A
Engineering/building Inspection:										
Rezoning applications	3	2	-	4	4	5	5	2	3	2
Building permits issued	147	253	280	275	302	310	280	254	213	244
Water permits issued	42	80	94	123	166	163	132	120	78	87
Sewer permits issued	36	74	83	104	159	155	126	111	68	84
Finance and administration:										
Business licenses issued	583	684	639	607	578	555	541	N/A	N/A	N/A
Payroll checks issued	4,015	3,769	3,424	3,601	3,583	3,644	3,607	N/A	N/A	N/A
Accounts payable processed	2,598	2,494	2,302	2,308	2,376	2,536	2,443	N/A	N/A	N/A
Requests for public records	3	2	3	3	2	2	3	N/A	N/A	N/A
Liquor licenses issued	46	45	36	33	30	31	N/A	N/A	N/A	N/A

Source: City records - various departments listed.

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

FUNCTIONS/PROGRAMS	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Marked patrol units	13	12	10	10	9	7	7	7	6	4
Public works:										
Miles of streets	87.10	87.10	86.67	84.96	83.53	82.76	81.26	79.95	N/A	N/A
Traffic lights and signals	2	2	2	2	2	2	2	2	2	2
Miles of sanitary sewer line	74.68	74.68	74.07	71.36	69.13	67.97	67.09	64.85	N/A	N/A
Number of meters	3,975	3,975	4,054	3,794	3,631	3,584	3,452	3,241	N/A	N/A
Miles of water line	82.60	82.60	82.37	80.49	78.45	78.37	77.52	76.66	N/A	N/A
Number of pumping stations	16	14	13	12	12	12	12	12	12	12
Parks and recreation:										
Number of parks	5	5	5	5	5	5	5	5	5	5
Acres of parks	178	178	178	178	178	178	178	178	178	178
Tennis courts	4	4	4	4	4	4	4	4	4	4
Swimming pools	1	1	1	1	1	1	1	1	1	1
Volleyball courts	2	2	2	-	-	-	-	-	-	-
Basketball courts	4	4	4	4	4	4	4	4	4	4
Baseball/softball fields	9	9	9	9	9	9	9	9	9	9
Playgrounds	5	5	5	4	4	4	4	4	4	4
Soccer fields	5	5	5	5	5	5	5	5	5	5

Source: City finance department records.

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