

# CITY OF UNION, MISSOURI



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2010

***CITY OF UNION, MISSOURI***

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***COMPREHENSIVE ANNUAL  
FINANCIAL REPORT***

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FOR THE FISCAL YEAR ENDED  
JUNE 30, 2010

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 1, 2010

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 (the City) for the fiscal year ended June 30, 2010 is hereby submitted. The report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report based upon a comprehensive framework of internal control that it has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements.

The City's financial statements have been audited by Hochschild, Bloom & Company LLP, a firm of licensed certified public accountants. The goal of this independent audit was to provide reasonable assurance that the basic financial statements of the City for the fiscal year ended June 30, 2010, are free of material misstatements. The independent auditors concluded, based upon its audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2010, are fairly presented in conformity with U.S. generally accepted accounting principles (GAAP). The independent auditors' report is presented as the first component of the financial section of this report.

The City is required to have a "Single Audit" in conformity with the provisions of the Single Audit Act of 1984 and the United States Office of Management and Budget Circular A-133. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements involving the administration of federal awards. Information related to this Single Audit is available in the City's separately issued Single Audit Report.

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

The Comprehensive Annual Financial Report is presented in three sections:

- The *Introductory* section, which is unaudited, includes this letter of transmittal, an organizational chart, and a list of the City's principal elected officials and other City officials.

- The *Financial* section includes the independent auditors' report, Management's Discussion and Analysis, basic financial statements for the City, and required additional supplementary information.
- The *Statistical* section includes selected financial and demographic information, generally presented on a multi-year basis.

## **Profile of the Government**

Incorporated in 1888, the City is the County Seat and the second largest City in Franklin County. The City covers approximately 8 square miles 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 members Board of Aldermen. Two aldermen are elected from each of the City's four wards to serve two year terms, one half of which expires annually. The Mayor is elected to serve a four-year term.

The City provides a range of services, including police protection; the construction and maintenance of highways, streets, and other infrastructure; and recreational activities. Sanitation services, sewer, and water are derived from revenues from user fees.

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

## **Local Economy**

Once a sleepy rural town 45 minutes southwest of St. Louis, over the past 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, like the rest of the country, and world, has experienced an economic downturn over the past year. Although several local industries decreased their labor force through layoffs and attrition, the City has been fortunate that a couple of large industries, American Plastics and Spartan Showcase, have weathered the recession quite well and have actually increased their employment. The early part of 2010 looks to be promising with Esselte, our largest employer, 450, increasing employment by up to 60 people. Also, industrial prospect activity has seen a marked increase in the second quarter of 2010 hopefully setting the stage for a slow but steady improvement in our local economy.

Since 2007, the City has experienced a slow but steady decrease in sales tax of approximately 2%. The City is confident and has evaluated its position and has made certain changes in its budget. In addition, the City maintains a conservative approach in spending and anticipates some economic recovery in the next fiscal year or two.

### **Major Initiatives**

A committee comprised of citizen volunteers, council members, and administrative staff is preparing a campaign for a Park Sales Tax. This sales tax is to develop a park east of town to include public fishing access, construction of picnic facilities, trails, sport fields, and other amenities. On the April 2011 ballot, voters will be asked to approve a ½ cent sales tax for the development of the park. Staff is currently researching other funding options which may include available grant programs.

### **Long-term Financial Planning**

The City's new comprehensive plan is almost finished. This new plan will assist the City in determining our course of action for years to come.

Although the Board of Aldermen has not formally adopted a long-term financial plan, administration does establish strategic goals and objectives for long-range planning purposes.

The City is currently expanding the East Denmark Wastewater Treatment Plant, Highway 47 lift station, and extending the sewer line and removing a lift station at Strawberry Fields. The City is issuing Recovery Zone Economic Development Bonds in the amount of \$3,655,000 and \$50,000 in Waterworks and Sewerage System Revenue Bonds for the projects.

All telecommunication lawsuits except for Charter have been settled. The franchise user fees continue to increase at a modest rate which stabilized the decrease in sales tax.

## Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in financial reporting to the City for its CAFR for the fiscal year ended June 30, 2009. This is the first year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both U.S. GAAP and applicable legal requirements.

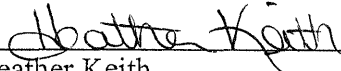
The Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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



Russell Rost  
City Administrator



Heather Keith  
Finance Officer

**PRINCIPAL OFFICIALS**

**MAYOR**

Mike Livengood

**WARD 1**

Robert Schmuke  
Jim Albrecht

**WARD 2**

Dale Schmuke  
William Isgriggs

**WARD 3**

Paul Arand  
Tammy Stowe

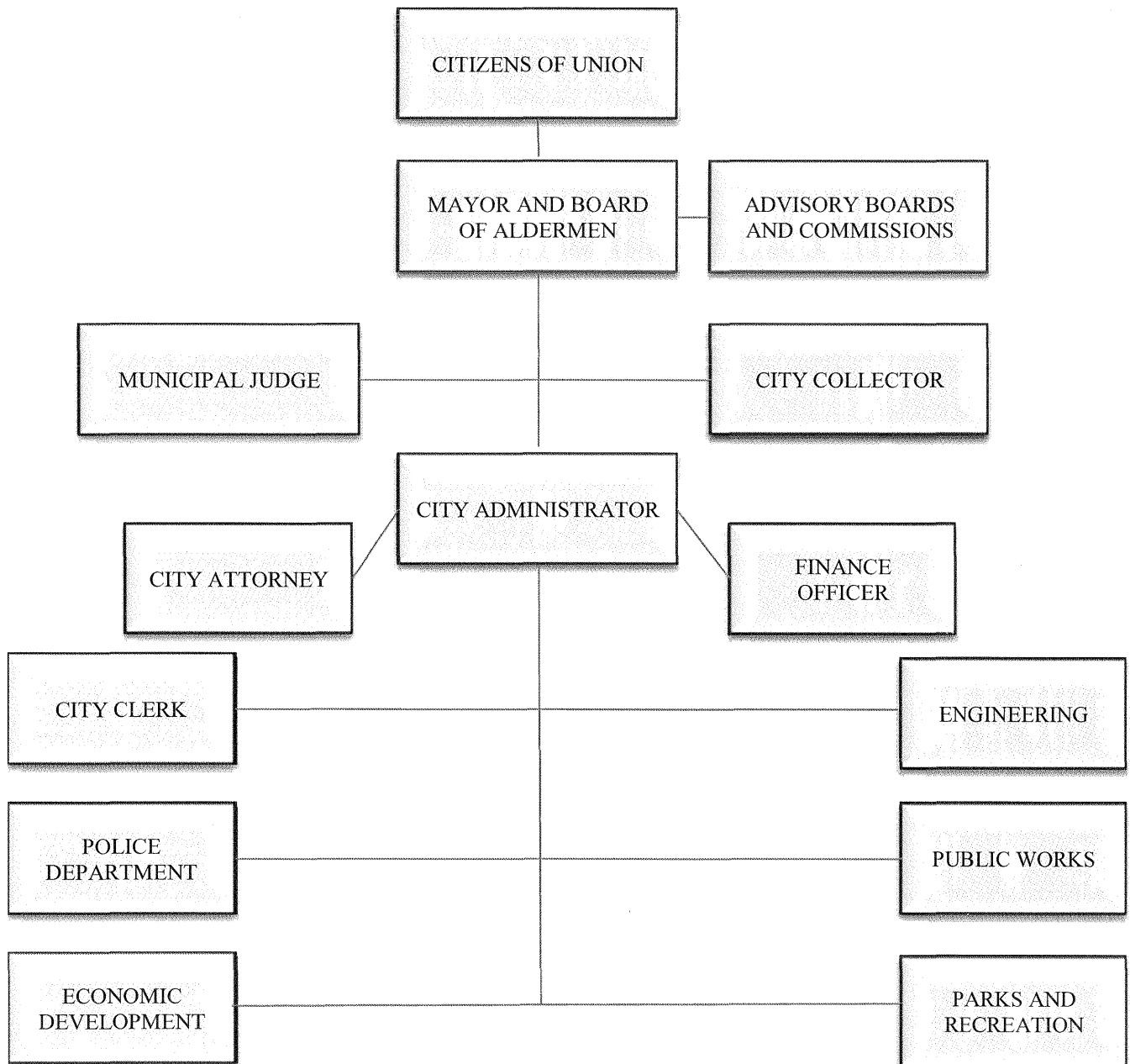
**WARD 4**

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  
Terry Copeland - City Collector  
A. David Arand - Municipal Judge

**ORGANIZATIONAL CHART**



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Union  
Missouri

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2009

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



A stylized, handwritten signature in black ink.

President

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

Executive Director

**SECTION II**  
**FINANCIAL SECTION**

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

## **INDEPENDENT AUDITORS' REPORT**

October 1, 2010

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, 2010, 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, 2010, 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 1, 2010, 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, 2010**

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This section of the City of Union, Missouri's (the City) annual financial report presents our review of the City's financial performance during the fiscal year ended June 30, 2010. We encourage readers to consider the information presented here in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follows this section.

**FINANCIAL HIGHLIGHTS**

- On a government-wide basis the assets of the City exceeded its liabilities for the most recent fiscal year by \$42,691,842. The City has unrestricted net assets totaling \$7,527,625.
- General revenues and transfers for governmental activities were \$5,762,661 which included \$4,997,606 (86.7%) in sales, property, franchise, and other taxes. Property taxes accounted for \$1,056,084 (18.3%) of general revenues and transfers.
- Expenses from the various functions of governmental activities was \$6,169,472. General government was \$1,570,872 (25.5%), public safety was \$1,449,950 (23.5%), street was \$1,229,372 (19.9%), refuse collection and other was \$592,645 (9.6%), culture and recreation was \$769,928 (12.5%), planning and development was \$438,776 (7.1%), and building maintenance was \$89,991 (1.5%).
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$7,664,130, an increase of \$42,875 in comparison with the prior year. Of this amount \$7,271,054 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 \$6,000,991 or 93% of total General Fund expenditures.
- The City's total debt decreased by \$1,295,375 (22%) 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, 2010**

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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 statements of revenues, expenditures, and changes in fund balances for the General Fund, Park Fund, and Transportation Tax Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation called "other governmental funds". Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the other supplemental information section in this report.

**CITY OF UNION, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

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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 the 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 \$42,691,842 increased in 2010 by approximately 8.4% as compared to the previous year.

The largest portion of the City's net assets, \$32,716,946 in 2010 (an increase of approximately 10.4% from 2009), 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, 2010**

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		Business-type		Total	
	Activities		Activities			
	2010	2009	2010	2009	2010	2009
<b>ASSETS</b>						
Current and other assets	\$ 8,265,360	8,345,416	2,646,251	2,465,673	10,911,611	10,811,089
Capital assets, net	<u>16,321,346</u>	<u>15,111,024</u>	<u>20,950,988</u>	<u>20,373,114</u>	<u>37,272,334</u>	<u>35,484,138</u>
Total Assets	<u>24,586,706</u>	<u>23,456,440</u>	<u>23,597,239</u>	<u>22,838,787</u>	<u>48,183,945</u>	<u>46,295,227</u>
<b>LIABILITIES</b>						
Long-term liabilities	122,881	1,221,244	4,573,075	4,757,826	4,695,956	5,979,070
Other liabilities	<u>490,154</u>	<u>586,054</u>	<u>305,993</u>	<u>351,302</u>	<u>796,147</u>	<u>937,356</u>
Total Liabilities	<u>613,035</u>	<u>1,807,298</u>	<u>4,879,068</u>	<u>5,109,128</u>	<u>5,492,103</u>	<u>6,916,426</u>
<b>NET ASSETS</b>						
Invested in capital assets, net of related debt	16,321,346	14,001,754	16,395,600	15,633,177	32,716,946	29,634,931
Restricted	<u>1,531,227</u>	<u>1,947,624</u>	<u>916,044</u>	<u>1,215,391</u>	<u>2,447,271</u>	<u>3,163,015</u>
Unrestricted	<u>6,121,098</u>	<u>5,699,764</u>	<u>1,406,527</u>	<u>881,091</u>	<u>7,527,625</u>	<u>6,580,855</u>
Total Net Assets	<u>\$23,973,671</u>	<u>21,649,142</u>	<u>18,718,171</u>	<u>17,729,659</u>	<u>42,691,842</u>	<u>39,378,801</u>

An additional portion of the City's net assets, \$2,447,271 in 2010, 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.

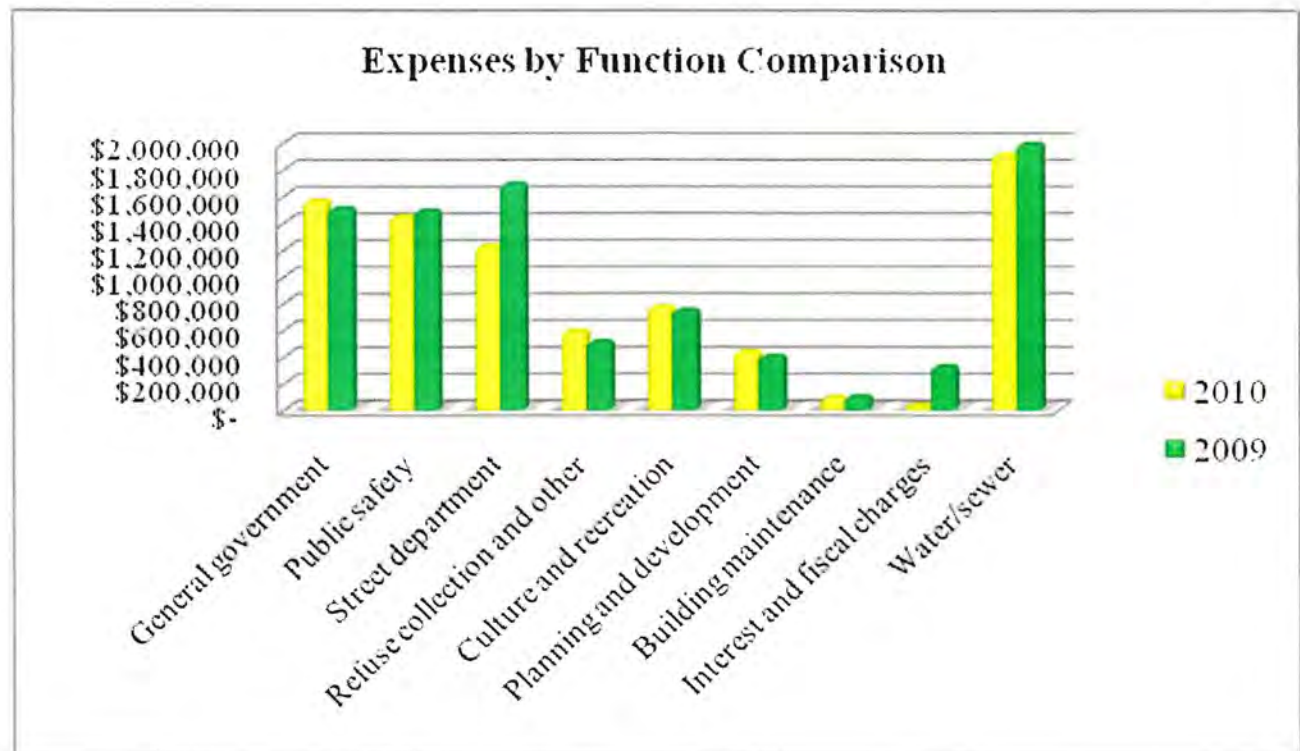
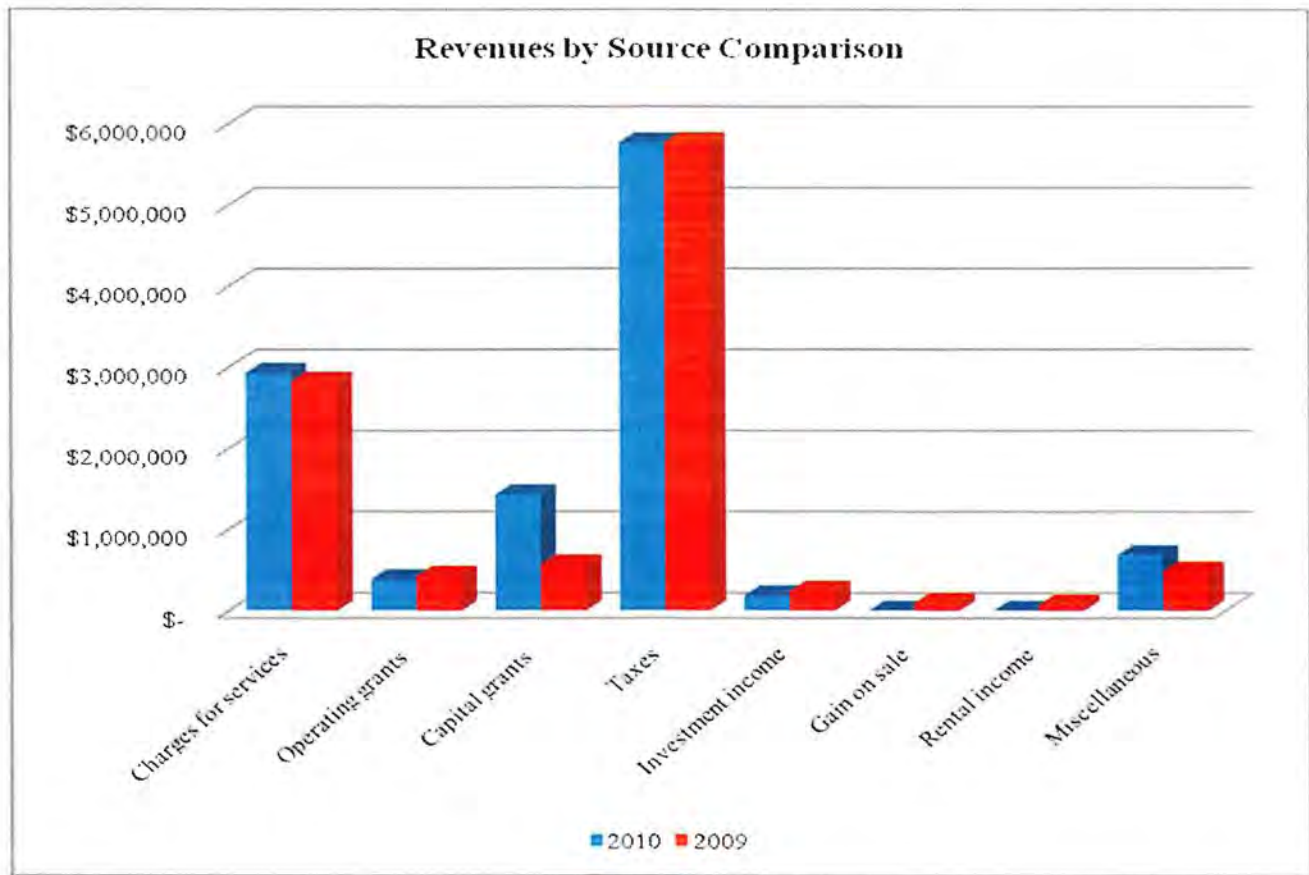
The remaining category of the City's net assets represents an unrestricted net assets balance of \$7,527,625 in 2010 which may be used to meet the City's ongoing obligations to citizens and creditors.

A condensed version of the statement of activities follows:

**CITY OF UNION, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

	For The Years Ended June 30					
	Governmental		Business-type		Total	
	Activities		Activities			
	2010	2009	2010	2009	2010	2009
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 1,148,720	1,013,869	1,783,723	1,810,401	2,932,443	2,824,270
Operating grants and contributions	383,815	426,906	-	-	383,815	426,906
Capital grants and contributions	1,198,805	508,810	229,045	58,120	1,427,850	566,930
General revenues:						
Taxes	4,997,606	4,986,293	775,930	792,580	5,773,536	5,778,873
Investment income	139,420	196,484	46,675	45,092	186,095	241,576
Gain on sale	1,625	94,746	-	-	1,625	94,746
Rental income	-	71,911	-	-	-	71,911
Miscellaneous	624,010	454,700	64,517	29,317	688,527	484,017
Total Revenues	<u>8,494,001</u>	<u>7,753,719</u>	<u>2,899,890</u>	<u>2,735,510</u>	<u>11,393,891</u>	<u>10,489,229</u>
<b>EXPENSES</b>						
General government	1,570,872	1,512,762	-	-	1,570,872	1,512,762
Public safety	1,449,950	1,495,039	-	-	1,449,950	1,495,039
Street department	1,229,372	1,696,109	-	-	1,229,372	1,696,109
Refuse collection and other	592,645	512,651	-	-	592,645	512,651
Culture and recreation	769,928	748,890	-	-	769,928	748,890
Planning and development	438,776	405,875	-	-	438,776	405,875
Building maintenance	89,991	100,942	-	-	89,991	100,942
Interest and fiscal charges	27,938	327,304	-	-	27,938	327,304
Water/sewer	-	-	1,911,378	1,994,739	1,911,378	1,994,739
Total Expenses	<u>6,169,472</u>	<u>6,799,572</u>	<u>1,911,378</u>	<u>1,994,739</u>	<u>8,080,850</u>	<u>8,794,311</u>
TRANSFERS	-	(338,600)	-	338,600	-	-
<b>CHANGES IN NET ASSETS</b>	2,324,529	615,547	988,512	1,079,371	3,313,041	1,694,918
NET ASSETS, JULY 1	<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>
<b>NET ASSETS, JUNE 30</b>	<u>\$23,973,671</u>	<u>21,649,142</u>	<u>18,718,171</u>	<u>17,729,659</u>	<u>42,691,842</u>	<u>39,378,801</u>

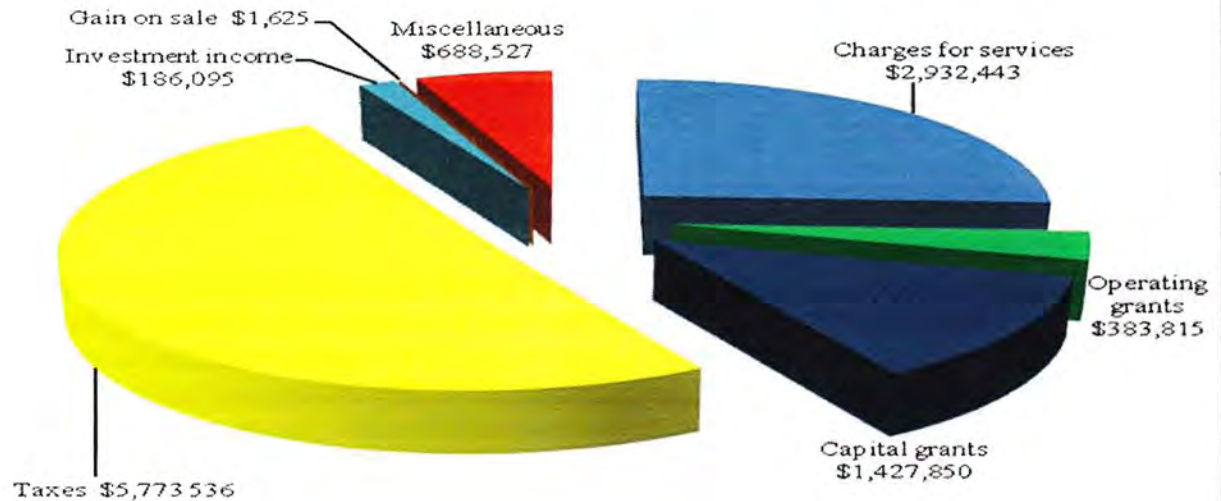
**CITY OF UNION, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2010**



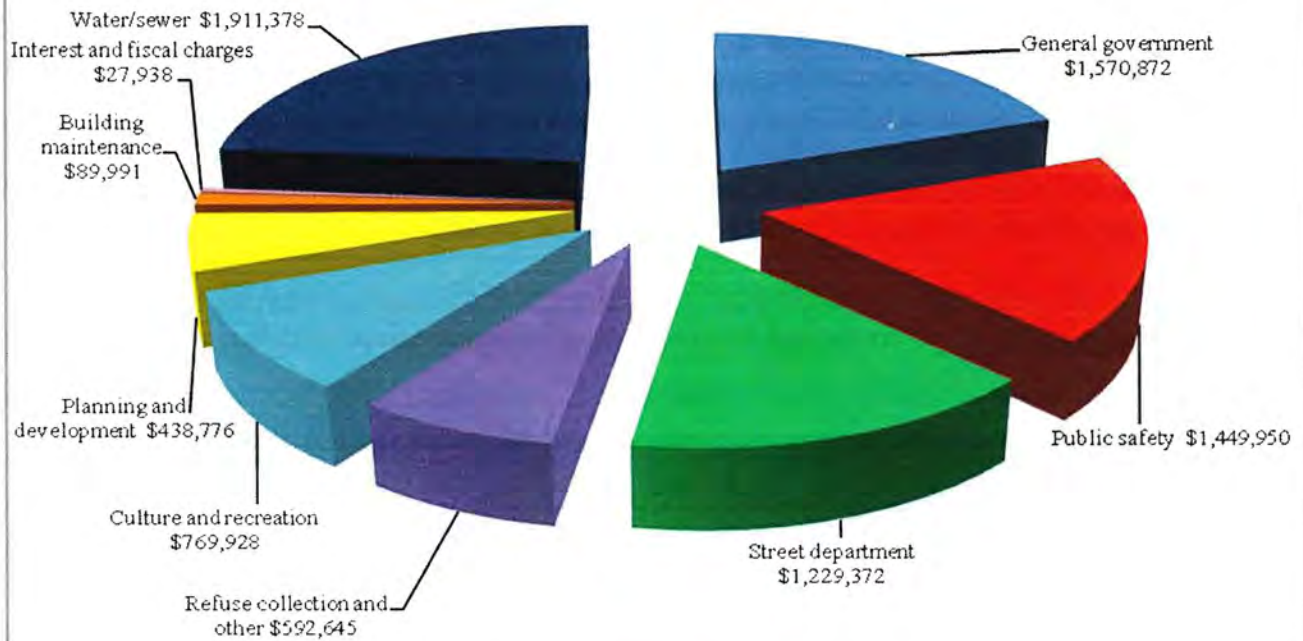


**CITY OF UNION, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

**Revenues by Sources for Fiscal Year 2010**



**Expenses by Function for Fiscal Year 2010**



**CITY OF UNION, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

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**Changes in net assets.** In 2010 the City's total revenues on the government-wide basis was \$11,393,891, an increase of \$904,662 as compared to 2009.

While the total revenues increased \$904,662 (8.6%) from last year, total expenses also decreased by \$713,461 (8.1%) from last year. The increase in revenues was due to the increase of grant monies from road projects. The decrease in expenses was due to less road repairs. As a result, the change in net assets had an increase of \$1,618,123 (95.5%).

## **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 2010, the unreserved fund balance of the General Fund was \$6,000,991 while the total fund balance was \$6,132,903. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures and transfer out. Unreserved fund balance represents (88.7%) of total General Fund expenditures and transfers out of \$319,500, while total fund balance represents (90.7%) of total General Fund expenditures and transfers out.

The fund balance in the City's General Fund increased by \$459,272 (8.1%) from the prior year fund balance. The changes of the current year's fund balance are mainly due to:

- Revenues increased by \$739,437 due to grants for road projects.

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

- Park Fund decreased by \$462,051. This decrease was a result of a paying off the debt for the east park property. At the end of June 30, 2010, the unreserved fund balance was \$23,986 and total fund balance was \$57,648.
- Transportation Tax Fund increased by \$41,090. This increase was a result of a decreased transfer out to the General Fund. At the end of June 30, 2010, the unreserved fund balance and total fund balance was \$725,344.

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

- Water and Sewer Fund increased \$988,512. This increase was a result of increasing revenues. At the end of June 30, 2010, total net assets was \$18,718,171.



**CITY OF UNION, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

**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 2010 was \$6,570,609, which differs from the original adopted budget of \$6,915,932 by \$345,323. These supplemental appropriations are summarized as follows:

- Areas of decrease in the General Fund includes road projects not being completed in the 2009-2010 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 Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 2,106,032	2,106,032	574,708	574,708	2,680,740	2,680,740
Construction in progress	585,548	693,437	1,042,800	1,432,478	1,628,348	2,125,915
Buildings	979,642	1,057,586	141,748	147,221	1,121,390	1,204,807
Infrastructure	11,825,635	10,349,417	17,133,612	16,154,323	28,959,247	26,503,740
Machinery and equipment	<u>824,489</u>	<u>904,552</u>	<u>2,058,120</u>	<u>2,064,384</u>	<u>2,882,609</u>	<u>2,968,936</u>
	<u>\$16,321,346</u>	<u>15,111,024</u>	<u>20,950,988</u>	<u>20,373,114</u>	<u>37,272,334</u>	<u>35,484,138</u>

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

**LONG-TERM DEBT**

At the end of the fiscal year 2010, the City had outstanding long-term debt obligations for governmental and business-type activities in the amount of \$4,580,294 compared to \$5,875,669 in fiscal year 2009. Of this amount, \$3,770,000 is certificates of participation and \$810,294 in capital leases. The \$1,295,375 decrease in the City's long-term debt obligations is primarily due to the City paying off \$1,095,250 loan payable for land. Additionally, the City did not refund any debts during 2010.

**CITY OF UNION, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

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

	<b>June 30</b>					
	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
2006A certificates of participation	\$ -	-	3,770,000	3,910,000	3,770,000	3,910,000
Loan payable	-	1,095,250	-	-	-	1,095,250
Capital lease obligations	-	14,020	810,294	856,399	810,294	870,419
	<u>\$ -</u>	<u>1,109,270</u>	<u>4,580,294</u>	<u>4,766,399</u>	<u>4,580,294</u>	<u>5,875,669</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 2010 - 2011 fiscal year:

- Sales tax being flat
- Health insurance premium increase
- 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, Highway 47 lift station, and extend sewer line and remove lift station at Strawberry Fields, with an estimated cost of \$3,705,000, to meet the demands caused by growth on the east side of the City. The lift station will eliminate the need for a lagoon serving existing customers in the area and to prepare for future growth. The source of funding for these projects is through Recovery Zone Economic Development Bonds and Taxable Combined Waterworks and Sewerage System Revenue Bonds.

The City is currently working on a new comprehensive plan. This plan will be formally adopted by the Board of Aldermen to help with long-range planning purposes to accomplish goals and objectives for the City. Although the Board of Aldermen has not formally adopted a long-term financial plan, administration does establish strategic goals and objectives for long-range planning purposes.

**CITY OF UNION, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

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**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, 2010**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 5,826,267	406,930	6,233,197
Accounts receivable	649,461	382,139	1,031,600
Property taxes receivable, net of allowance	86,994	-	86,994
Court fines receivable	30,642	-	30,642
Grants receivable	915,712	-	915,712
Accrued interest receivable	4,067	-	4,067
Inventory	-	124,293	124,293
Prepaid items	165,574	87,738	253,312
Bond issue costs	-	108,761	108,761
Restricted assets:			
Cash	586,643	1,536,390	2,123,033
Capital assets:			
Land and construction in progress	2,691,580	1,617,508	4,309,088
Other capital assets, net of accumulated depreciation	13,629,766	19,333,480	32,963,246
Total Assets	<u>24,586,706</u>	<u>23,597,239</u>	<u>48,183,945</u>
<b>LIABILITIES</b>			
Accounts payable	367,267	82,711	449,978
Retainage payable	25,953	-	25,953
Accrued wages	78,441	11,317	89,758
Accrued expenses	8,840	28,916	37,756
Accrued interest payable	-	106,619	106,619
Customer deposits payable	-	76,430	76,430
Court bonds payable	9,653	-	9,653
Noncurrent liabilities:			
Due within one year	92,161	211,829	303,990
Due in more than one year	30,720	4,361,246	4,391,966
Total Liabilities	<u>613,035</u>	<u>4,879,068</u>	<u>5,492,103</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	16,321,346	16,395,600	32,716,946
Restricted for:			
Park improvements	57,648	-	57,648
Street improvements	725,344	-	725,344
Cemetery maintenance	65,853	-	65,853
Stormwater improvements	79,850	-	79,850
Water and sewer improvements	-	670,994	670,994
Debt service	602,532	245,050	847,582
Unrestricted	6,121,098	1,406,527	7,527,625
Total Net Assets	<u>\$ 23,973,671</u>	<u>18,718,171</u>	<u>42,691,842</u>

**CITY OF UNION, MISSOURI**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2010**

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
<b>Primary Government</b>							
<b>Governmental Activities</b>							
General government	\$ 1,570,872	129,462	-	-	(1,441,410)	-	(1,441,410)
Public safety	1,449,950	192,358	89,217	14,194	(1,154,181)	-	(1,154,181)
Street department	1,229,372	5,105	292,733	1,184,611	253,077	-	253,077
Refuse collection and other	592,645	603,578	-	-	10,933	-	10,933
Culture and recreation	769,928	217,506	1,865	-	(550,557)	-	(550,557)
Planning and development	438,776	711	-	-	(438,065)	-	(438,065)
Building maintenance	89,991	-	-	-	(89,991)	-	(89,991)
Interest and fiscal charges	27,938	-	-	-	(27,938)	-	(27,938)
Total Governmental Activities	6,169,472	1,148,720	383,815	1,198,805	(3,438,132)	-	(3,438,132)
<b>Business-type Activities</b>							
Water/sewer	1,911,378	1,783,723	-	229,045	-	101,390	101,390
Total Primary Government	<u>\$ 8,080,850</u>	<u>2,932,443</u>	<u>383,815</u>	<u>1,427,850</u>	<u>(3,438,132)</u>	<u>101,390</u>	<u>(3,336,742)</u>
<b>General Revenues</b>							
Taxes:							
Sales					2,327,690	775,930	3,103,620
Property					1,056,084	-	1,056,084
Franchise					1,338,241	-	1,338,241
Other					275,591	-	275,591
Investment income					139,420	46,675	186,095
Gain on sale of assets					1,625	-	1,625
Miscellaneous					624,010	64,517	688,527
Total General Revenues					<u>5,762,661</u>	<u>887,122</u>	<u>6,649,783</u>
<b>CHANGES IN NET ASSETS</b>					2,324,529	988,512	3,313,041
<b>NET ASSETS, JULY 1</b>					21,649,142	17,729,659	39,378,801
<b>NET ASSETS, JUNE 30</b>					<u>\$ 23,973,671</u>	<u>18,718,171</u>	<u>42,691,842</u>

See notes to financial statements

**CITY OF UNION, MISSOURI**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2010**

	<u>General Fund</u>	<u>Park Fund</u>	<u>Transportation Tax Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and investments	\$ 4,975,444	29,586	595,638	225,599	5,826,267
Accounts receivable	519,755	-	129,706	-	649,461
Property taxes receivable, net of allowance	70,583	16,411	-	-	86,994
Court fines receivable	30,642	-	-	-	30,642
Grants receivable	915,712	-	-	-	915,712
Accrued interest receivable	4,067	-	-	-	4,067
Prepaid items	131,912	33,662	-	-	165,574
Restricted assets:					
Cash	9,653	54,354	-	522,636	586,643
Total Assets	<u>\$ 6,657,768</u>	<u>134,013</u>	<u>725,344</u>	<u>748,235</u>	<u>8,265,360</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ 328,956	38,311	-	-	367,267
Retainage payable	25,953	-	-	-	25,953
Wages payable	58,477	19,964	-	-	78,441
Court bonds payable	9,653	-	-	-	9,653
Accrued liabilities	5,228	3,612	-	-	8,840
Deferred revenue	96,598	14,478	-	-	111,076
Total Liabilities	<u>524,865</u>	<u>76,365</u>	<u>-</u>	<u>-</u>	<u>601,230</u>
<b>Fund Balances</b>					
Reserved for:					
Prepaid items	131,912	33,662	-	-	165,574
Debt service	-	-	-	227,502	227,502
Unreserved:					
General Fund	6,000,991	-	-	-	6,000,991
Special Revenue Funds	-	23,986	725,344	145,703	895,033
Debt Service Funds	-	-	-	375,030	375,030
Total Fund Balances	<u>6,132,903</u>	<u>57,648</u>	<u>725,344</u>	<u>748,235</u>	<u>7,664,130</u>
Total Liabilities And Fund Balances	<u>\$ 6,657,768</u>	<u>134,013</u>	<u>725,344</u>	<u>748,235</u>	<u>8,265,360</u>

**CITY OF UNION, MISSOURI**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL**  
**FUNDS TO THE STATEMENT OF NET ASSETS**  
**JUNE 30, 2010**

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Total Fund Balances - Governmental Funds	\$ 7,664,130
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 \$21,290,253 and the accumulated depreciation is \$4,968,907.	16,321,346
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.	111,076
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	<u>(122,881)</u>
Total Net Assets Of Governmental Activities	<u><u>\$ 23,973,671</u></u>

**CITY OF UNION, MISSOURI**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

	<b>General Fund</b>	<b>Park Fund</b>	<b>Transportation Tax Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>					
Taxes	\$ 4,307,702	241,381	775,897	-	5,324,980
Fines and forfeitures	112,758	-	-	-	112,758
Licenses and permits	90,640	-	-	-	90,640
Charges for services	658,708	207,193	-	-	865,901
Intergovernmental	1,124,971	-	-	-	1,124,971
Investment income	104,986	13,377	15,193	5,864	139,420
Rental income	36,701	-	-	-	36,701
Miscellaneous	36,131	623,229	-	-	659,360
Total Revenues	<u>6,472,597</u>	<u>1,085,180</u>	<u>791,090</u>	<u>5,864</u>	<u>8,354,731</u>
<b>EXPENDITURES</b>					
Current:					
General government	1,570,176	-	-	-	1,570,176
Public safety	1,363,023	-	-	-	1,363,023
Street department	720,193	-	-	-	720,193
Refuse collection and other	592,645	-	-	-	592,645
Culture and recreation	-	682,274	-	-	682,274
Planning and development	285,952	-	-	-	285,952
Building maintenance	72,569	-	-	-	72,569
Capital outlay	1,840,892	64,194	-	-	1,905,086
Debt service:					
Principal	-	1,095,250	-	-	1,095,250
Interest and fiscal charges	-	25,013	-	2,925	27,938
Total Expenditures	<u>6,445,450</u>	<u>1,866,731</u>	<u>-</u>	<u>2,925</u>	<u>8,315,106</u>
<b>REVENUES OVER (UNDER)</b>					
<b>EXPENDITURES</b>	<u>27,147</u>	<u>(781,551)</u>	<u>791,090</u>	<u>2,939</u>	<u>39,625</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of capital assets	1,625	-	-	1,625	3,250
Transfers in	750,000	319,500	-	-	1,069,500
Transfers out	<u>(319,500)</u>	<u>-</u>	<u>(750,000)</u>	<u>-</u>	<u>(1,069,500)</u>
Total Other Financing Sources (Uses)	<u>432,125</u>	<u>319,500</u>	<u>(750,000)</u>	<u>1,625</u>	<u>3,250</u>
<b>NET CHANGES IN FUND BALANCES</b>	<u>459,272</u>	<u>(462,051)</u>	<u>41,090</u>	<u>4,564</u>	<u>42,875</u>
FUND BALANCES, JULY 1	<u>5,673,631</u>	<u>519,699</u>	<u>684,254</u>	<u>743,671</u>	<u>7,621,255</u>
FUND BALANCES, JUNE 30	<u>\$ 6,132,903</u>	<u>57,648</u>	<u>725,344</u>	<u>748,235</u>	<u>7,664,130</u>



**CITY OF UNION, MISSOURI**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2010**

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Net Change In Fund Balances - Governmental Funds \$ 42,875

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 (\$1,945,443) exceeded depreciation (\$898,172) in the current period.	1,047,271
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	(27,031)
The net effect of various miscellaneous transactions involving capital assets: Contributed capital assets	163,051
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:	
Note payable	1,095,250
Capital lease	14,020
	1,109,270
Under the modified accrual basis of accounting used in the governmental funds financial statements, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when financial resources are available.	
Accrued compensated absence liability	(10,907)
Change In Net Assets Of Governmental Activities	<u>\$ 2,324,529</u>

**CITY OF UNION, MISSOURI**  
**STATEMENT OF NET ASSETS - PROPRIETARY FUND**  
**JUNE 30, 2010**

	<b>Business-type Activities - Enterprise Fund Water/Sewer</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and cash investments	\$ 406,930
Accounts receivable	382,139
Inventory	124,293
Prepaid items	87,738
Total Current Assets	<u>1,001,100</u>
<b>Noncurrent Assets</b>	
Bond issuance costs	108,761
Cash - restricted	1,536,390
Land and construction in progress	1,617,508
Other capital assets, net of accumulated depreciation	19,333,480
Total Noncurrent Assets	<u>22,596,139</u>
Total Assets	<u>23,597,239</u>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts payable	82,711
Accrued wages	11,317
Accrued expenses	28,916
Accrued interest payable	106,619
Accrued compensated absences - current	13,265
Capital lease - current	48,564
Debt payable - current	150,000
Total Current Liabilities	<u>441,392</u>
<b>Noncurrent Liabilities</b>	
Customer deposits payable	76,430
Accrued compensated absences	4,422
Capital leases payable	761,730
Debt payable, net	3,595,094
Total Noncurrent Liabilities	<u>4,437,676</u>
Total Liabilities	<u>4,879,068</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	16,395,600
Restricted for debt service	245,050
Restricted for water and sewer improvements	670,994
Unrestricted	1,406,527
Total Net Assets	<u>\$ 18,718,171</u>

**CITY OF UNION, MISSOURI**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN**  
**NET ASSETS - PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2010**

	<b>Business-type Activities - Enterprise Fund Water/Sewer</b>
<b>OPERATING REVENUES</b>	
Charges for services:	
Water	\$ 1,010,291
Sewer	773,432
Total Operating Revenues	<u>1,783,723</u>
<b>OPERATING EXPENSES</b>	
Depreciation	521,829
Amortization	8,353
Water	504,932
Sewer	642,698
Total Operating Expenses	<u>1,677,812</u>
<b>OPERATING INCOME</b>	<u>105,911</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Taxes	775,930
Investment income	46,675
Miscellaneous	64,517
Interest expense	(233,566)
Total Nonoperating Revenues (Expenses)	<u>653,556</u>
<b>NET INCOME BEFORE CAPITAL CONTRIBUTIONS</b>	759,467
<b>CAPITAL CONTRIBUTIONS</b>	<u>229,045</u>
<b>CHANGE IN NET ASSETS</b>	988,512
NET ASSETS, JULY 1	<u>17,729,659</u>
NET ASSETS, JUNE 30	<u><u>\$ 18,718,171</u></u>

**CITY OF UNION, MISSOURI**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Business-type Activities - Enterprise Fund Water/Sewer</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	
<b>Cash flows from operating activities:</b>	
Receipts from customers and users	\$ 1,791,361
Payments to suppliers	(630,151)
Payments to employees	(567,626)
Net Cash Provided By Operating Activities	<u>593,584</u>
<b>Cash flows provided by noncapital financing activities:</b>	
Taxes	<u>775,930</u>
<b>Cash flows from capital and related financing activities:</b>	
Interest paid on bonds	(234,075)
Payments on capital lease payable	(46,105)
Payments on bonds payable	(140,000)
Acquisition and construction of capital assets	(870,658)
Net Cash Used In Capital And Related Financing Activities	<u>(1,290,838)</u>
<b>Cash flows from investing activities:</b>	
Investment income	46,675
Miscellaneous income	64,517
Net Cash Provided By Investing Activities	<u>111,192</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	189,868
CASH AND CASH EQUIVALENTS, JULY 1	<u>1,753,452</u>
<b>CASH AND CASH EQUIVALENTS, JUNE 30</b>	<u><u>\$ 1,943,320</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>	
Operating income	\$ 105,911
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	521,829
Amortization	8,353
(Increase) decrease in:	
Accounts receivable	5,413
Prepaid items	6,778
Inventory	(9,698)
Increase (decrease) in:	
Accounts payable	(47,572)
Retainage payable	(5,712)
Accrued wages	1,793
Accrued compensated absences	(202)
Accrued expenses	4,466
Customer deposits	2,225
Total Adjustments	<u>487,673</u>
Net Cash Provided By Operating Activities	<u>\$ 593,584</u>
Contributed water and sewer lines	<u><u>\$ 229,045</u></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. 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.

The City reports the following major proprietary fund:

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

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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 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.

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**5. Allowance for Uncollectible Accounts**

Property taxes receivable are shown net of an allowance for uncollectible accounts of \$30,534 and \$6,703 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.

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.



**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**10. Capital Assets (Continued)**

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, 2009 upon which the 2009 levy was based for real estate, personal property, and railroads and utilities taxes was \$164,402,083.

The City's tax rate was levied at \$0.6503 per \$100 of assessed valuation of which \$0.5241 is used for general governmental services and \$0.1262 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, 2010, 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, 2010, the City had the following investments:

**NOTE B - CASH AND INVESTMENTS (Continued)**

**2. Investments (Continued)**

<u>Investments</u>	<u>Fair Market Value</u>	<u>Maturities</u>		<u>Credit Risk</u>
		<u>No</u>	<u>Less Than One Year</u>	
<b>Governmental Funds</b>				
Certificates of deposit	\$4,000,000	-	4,000,000	N/A
Money market funds	<u>525,530</u>	<u>525,530</u>	<u>-</u>	Not rated
	4,525,530	<u>525,484</u>	<u>4,000,000</u>	
Cash deposits	<u>1,887,380</u>			
Total Governmental Funds Cash And Investments	<u>\$6,412,910</u>			
<b>Proprietary Funds</b>				
Money market funds	\$ 245,050	<u>245,050</u>	<u>-</u>	Not rated
Cash deposits	<u>1,698,270</u>			
Total Proprietary Funds Cash And Investments	<u>\$1,943,320</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)**

	<b>For The Year Ended June 30, 2010</b>			
	<b>Balance June 30 2009</b>	<b>Transfers and Additions</b>	<b>Transfers and Deletions</b>	<b>Balance June 30 2010</b>
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 2,106,032	-	-	2,106,032
Construction in progress	<u>693,437</u>	<u>1,716,103</u>	<u>1,823,992</u>	<u>585,548</u>
Total Capital Assets Not Being Depreciated	<u>2,799,469</u>	<u>1,716,103</u>	<u>1,823,992</u>	<u>2,691,580</u>
Capital assets being depreciated:				
Buildings	2,276,146	8,106	-	2,284,252
Infrastructure	11,567,977	2,068,248	-	13,636,225
Machinery and equipment	<u>2,603,111</u>	<u>140,029</u>	<u>64,944</u>	<u>2,678,196</u>
Total Capital Assets Being Depreciated	<u>16,447,234</u>	<u>2,216,383</u>	<u>64,944</u>	<u>18,598,673</u>
Less - Accumulated depreciation for:				
Buildings	1,218,560	86,050	-	1,304,610
Infrastructure	1,218,560	592,030	-	1,810,590
Machinery and equipment	<u>1,698,559</u>	<u>220,092</u>	<u>64,944</u>	<u>1,853,707</u>
Total Accumulated Depreciation	<u>4,135,679</u>	<u>898,172</u>	<u>64,944</u>	<u>4,968,907</u>
Total Capital Assets Being Depreciated, Net	<u>12,311,555</u>	<u>1,318,211</u>	<u>-</u>	<u>13,629,766</u>
Governmental Activities Capital Assets, Net	<u>\$15,111,024</u>	<u>3,034,314</u>	<u>1,823,992</u>	<u>16,321,346</u>
<b>Business-type Activities</b>				
Capital assets not being depreciated:				
Land	\$ 574,708	-	-	574,708
Construction in progress	<u>1,432,478</u>	<u>765,510</u>	<u>1,155,188</u>	<u>1,042,800</u>
Total Capital Assets Not Being Depreciated	<u>2,007,186</u>	<u>765,510</u>	<u>1,155,188</u>	<u>1,617,508</u>
Capital assets being depreciated:				
Buildings	251,400	-	-	251,400
Infrastructure	19,471,348	1,384,233	-	20,855,581
Machinery and equipment	<u>3,252,967</u>	<u>105,148</u>	<u>22,000</u>	<u>3,336,115</u>
Total Capital Assets Being Depreciated	<u>22,975,715</u>	<u>1,489,381</u>	<u>22,000</u>	<u>24,443,096</u>
Less - Accumulated depreciation for:				
Buildings	104,179	5,473	-	109,652
Infrastructure	3,317,025	404,944	-	3,721,969
Machinery and equipment	<u>1,188,583</u>	<u>111,412</u>	<u>22,000</u>	<u>1,277,995</u>
Total Accumulated Depreciation	<u>4,609,787</u>	<u>521,829</u>	<u>22,000</u>	<u>5,109,616</u>
Total Capital Assets Being Depreciated, Net	<u>18,365,928</u>	<u>967,552</u>	<u>-</u>	<u>19,333,480</u>
Business-type Activities Capital Assets, Net	<u>\$20,373,114</u>	<u>1,733,062</u>	<u>1,155,188</u>	<u>20,950,988</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:

	<b>For The Year Ended June 30, 2010</b>
<b>Governmental Activities</b>	
General government	\$ 3,659
Public safety	84,021
Street department	676,410
Culture and recreation	113,472
Planning and development	1,788
Building maintenance	<u>18,822</u>
Total	<u>\$898,172</u>
<b>Business-type Activities</b>	
Water/Sewer Facility	<u>\$521,829</u>

**NOTE D - INTERFUND TRANSACTIONS**

Individual interfund transactions are as follows:

<b><u>Transfers In</u></b>	<b><u>Transfers Out</u></b>	<b><u>June 30 2010 Total</u></b>
General Fund	Transportation Tax	\$ 750,000
Park Fund	General Fund	<u>319,500</u>
		<u>\$1,069,500</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 \$2,447,271 of restricted net assets, of which \$1,599,689 is restricted by enabling legislation.

**CITY OF UNION, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE F - LONG-TERM DEBT**

Long-term debt consisted of the following:

**June 30**  
**2010**

**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.

\$3,770,000

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

<b>For The Years Ended June 30</b>	<b>Business-type Activities</b>		
	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
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	175,000	156,611	331,611
2016 - 2020	1,025,000	639,376	1,664,376
2021 - 2025	1,310,000	341,918	1,651,918
2026 - 2027	<u>625,000</u>	<u>33,206</u>	<u>658,206</u>
	<u>\$3,770,000</u>	<u>1,874,718</u>	<u>5,644,718</u>

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

	For The Year Ended June 30, 2010			Amounts
	Balance		Balance	Due
	June 30		June 30	Within
	2009	Additions	2010	One Year
Governmental Activities				
Loan payable	\$1,095,250	-	-	-
Capital lease obligations	<u>14,020</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Bonds And				
Capital Leases	1,109,270	-	-	-
Compensated absences	<u>111,974</u>	<u>513,067</u>	<u>122,881</u>	<u>92,161</u>
Total Governmental				
Activities	\$1,221,244	513,067	122,881	92,161

**CITY OF UNION, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE F - LONG-TERM DEBT (Continued)**

	<u>For The Year Ended June 30, 2010</u>			<u>Amounts</u>	
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Due</u>
	<u>June 30</u>			<u>June 30</u>	<u>Within</u>
	<u>2009</u>			<u>2010</u>	<u>One Year</u>
<b>Business-type Activities</b>					
Certificates of participation	\$3,910,000	-	140,000	3,770,000	150,000
Capital lease obligation	856,399	-	46,105	810,294	48,564
Less - Discounts	<u>(26,462)</u>	<u>-</u>	<u>(1,556)</u>	<u>(24,906)</u>	<u>-</u>
Total Bonds And					
Capital Leases	4,739,937	-	184,549	4,555,388	198,564
Compensated absences	<u>17,889</u>	<u>69,974</u>	<u>70,176</u>	<u>17,687</u>	<u>13,265</u>
Total Business-type					
Activities	<u>\$4,757,826</u>	<u>69,974</u>	<u>254,725</u>	<u>4,573,075</u>	<u>211,829</u>

Compensated absences are generally liquidated by the General Fund. Certificates of participation 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, 2010</u>	
	<u>Governmental</u>	<u>Business-type</u>
	<u>Activities</u>	<u>Activities</u>
Asset:		
Infrastructure	\$ -	914,863
Machinery and equipment	43,087	-
Less - Accumulated depreciation	<u>25,934</u>	<u>237,864</u>
Total	<u>\$17,153</u>	<u>676,999</u>

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

<u>For The Years</u>	<u>Business-type</u>
<u>Ended June 30</u>	<u>Activities</u>
2011	\$ 90,000
2012	90,000
2013	90,000
2014	90,000
2015	90,000
2016 - 2020	450,000
2021 - 2023	<u>202,500</u>
Total Minimum Lease Payments	1,102,500
Less - Imputed interest	<u>292,206</u>
Present Value Of Minimum Lease Payments	<u>\$ 810,294</u>



**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.

**2. Funding Policy**

The City's full-time employees do not contribute to the pension plan. The City is required to contribute at an actuarially determined rate; the current rates are 10.1% (general) and 11.5% (police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the City. The contribution provisions of the City are established by state statute.

**3. Annual Pension Cost**

The City's annual pension cost and net pension obligation for the current year were as follows:

Annual required contribution	\$266,430
Interest on net pension obligation	-
Adjustment to annual required contribution	-
Annual Pension Cost	<u>266,430</u>
Actual contributions	<u>266,430</u>
Increase (decrease) in NPO	-
NPO beginning of year	<u>-</u>
NPO End Of Year	<u>\$ -</u>

The required contribution was determined as part of the February 29, 2008 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included a) a rate of return on the investment of present and future assets of 7.5% 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

**NOTE G - EMPLOYEE RETIREMENT BENEFIT PLAN (Continued)**

**3. Annual Pension Cost (Continued)**

6% per year, depending on age and division, 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 for males 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 29, 2008 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>	<u>Net Pension Obligation</u>
2010	\$266,430	100%	\$ -
2009	252,932	100	-
2008	221,586	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</u>
2010	\$5,998,210	\$7,238,739	\$1,240,529
2009	5,300,458	6,547,535	1,247,077
2008	6,074,262	6,101,705	27,443

<u>For The Valuation Years Ended February 28/29</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>Unfunded AAL As A Percentage Of Covered Payroll</u>
2010	83%	\$2,470,976	50%
2009	81	2,288,797	54
2008	100	2,091,859	1

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, 2010.

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 \$211,972 for MIRMA's fiscal year ended June 30, 2010. 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 and completed in September 2010.

The City had purchase commitments in the following amounts:

	<b><u>June 30</u></b> <b><u>2010</u></b>
City Hall projects-City Hall windows	\$ 68,126
Street projects	319,180
Wastewater treatment plant, lift station, extend sewer line, and remove lift station	<u>3,597,371</u>
	<u>\$3,984,677</u>

**NOTE J - SEGMENT INFORMATION**

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

**CITY OF UNION, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE J - SEGMENT INFORMATION (Continued)**

<b>Condensed Statement Of Net Assets</b>			
<b>June 30, 2010</b>			
	<b><u>Water</u></b>	<b><u>Sewer</u></b>	<b><u>Totals</u></b>
<b>ASSETS</b>			
Current and other assets	\$ 532,766	577,095	1,109,861
Restricted assets	76,430	1,459,960	1,536,390
Capital assets	<u>6,388,883</u>	<u>14,562,105</u>	<u>20,950,988</u>
Total Assets	<u>6,998,079</u>	<u>16,599,160</u>	<u>23,597,239</u>
<b>LIABILITIES</b>			
Current liabilities	131,504	309,888	441,392
Noncurrent liabilities	<u>842,582</u>	<u>3,595,094</u>	<u>4,437,676</u>
Total Liabilities	<u>974,086</u>	<u>3,904,982</u>	<u>4,879,068</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	5,578,589	10,817,011	16,395,600
Restricted	-	916,044	916,044
Unrestricted	<u>445,404</u>	<u>961,123</u>	<u>1,406,527</u>
Total Net Assets	<u>\$6,023,993</u>	<u>12,694,178</u>	<u>18,718,171</u>

<b>Condensed Statement Of Revenues, Expenses, And Changes In Net Assets</b>			
<b>For The Year Ended June 30, 2010</b>			
	<b><u>Water</u></b>	<b><u>Sewer</u></b>	<b><u>Totals</u></b>
<b>OPERATING REVENUES</b>	\$1,010,291	773,432	1,783,723
DEPRECIATION	173,913	347,916	521,829
OTHER OPERATING EXPENSES	<u>504,932</u>	<u>651,051</u>	<u>1,155,983</u>
<b>OPERATING INCOME (LOSS)</b>	331,446	(225,535)	105,911
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Taxes	-	775,930	775,930
Investment income	13,997	32,678	46,675
Miscellaneous	64,286	231	64,517
Interest expense	(43,493)	(190,073)	(233,566)
<b>CAPITAL CONTRIBUTIONS</b>	<u>91,185</u>	<u>137,860</u>	<u>229,045</u>
CHANGES IN NET ASSETS	457,421	531,091	988,512
NET ASSETS, JULY 1	<u>5,566,572</u>	<u>12,163,087</u>	<u>17,729,659</u>
<b>NET ASSETS, JUNE 30</b>	<u>\$6,023,993</u>	<u>12,694,178</u>	<u>18,718,171</u>

**CITY OF UNION, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE J - SEGMENT INFORMATION (Continued)**

	<u>Condensed Statement Of Cash Flows</u> <u>For The Year Ended June 30, 2010</u>		
	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
Net cash provided by (used in):			
Operating activities	\$480,872	112,712	593,584
Noncapital financing activities	148,803	627,127	775,930
Capital and related financing activities	(457,953)	(832,885)	(1,290,838)
Investing activities	<u>78,283</u>	<u>32,909</u>	<u>111,192</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	250,005	(60,137)	189,868
CASH AND CASH EQUIVALENTS, JULY 1	<u>74,205</u>	<u>1,679,247</u>	<u>1,753,452</u>
<b>CASH AND CASH EQUIVALENTS, JUNE 30</b>	<u>\$324,210</u>	<u>1,619,110</u>	<u>1,943,320</u>

**NOTE K - SUBSEQUENT EVENTS**

The City approved a Recovery Zone Economic Development bond issue in September 2010 in the amount of \$3,665,000 and Taxable Combined Waterworks and Sewerage System Revenue Bonds in the amount of \$50,000 for constructing the East Denmark Wastewater Treatment Plant, Highway 47 lift station and extend sewer line and remove lift station at Strawberry Fields.

**NOTE L - FUTURE ACCOUNTING PRONOUNCEMENTS**

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), establishes clearer fund balance classifications that can be more consistently applied and clarifies existing governmental fund types. GASB 54 will be effective for the City for the fiscal year ending June 30, 2011. The City, however, has not yet completed its assessment of the statement.

**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, 2010**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>				
Taxes	\$ 4,006,800	4,328,300	4,307,702	(20,598)
Fines and forfeitures	128,500	111,740	112,758	1,018
Licenses and permits	113,500	78,850	90,640	11,790
Charges for services	500,000	658,700	658,708	8
Intergovernmental	1,626,716	1,124,796	1,124,971	175
Investment income	75,000	104,980	104,986	6
Rental income	40,000	36,700	36,701	1
Miscellaneous	17,250	25,445	36,131	10,686
Total Revenues	<u>6,507,766</u>	<u>6,469,511</u>	<u>6,472,597</u>	<u>3,086</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Mayor and board:				
Personnel services	24,085	24,085	23,850	(235)
General services	19,750	19,750	15,119	(4,631)
Total Mayor And Board	<u>43,835</u>	<u>43,835</u>	<u>38,969</u>	<u>(4,866)</u>
City clerk:				
Personnel services	92,990	92,990	93,154	164
Supplies and materials	2,300	2,300	2,300	-
General services	9,800	9,800	5,468	(4,332)
Maintenance and repairs	20,200	20,200	18,715	(1,485)
Total City Clerk	<u>125,290</u>	<u>125,290</u>	<u>119,637</u>	<u>(5,653)</u>
City administrator:				
Personnel services	146,800	160,109	160,105	(4)
Supplies and materials	1,000	1,015	1,012	(3)
General services	8,350	8,350	7,102	(1,248)
Maintenance and repairs	2,150	2,635	2,604	(31)
Total City Administrator	<u>158,300</u>	<u>172,109</u>	<u>170,823</u>	<u>(1,286)</u>
City collector:				
Personnel services	42,002	34,542	33,846	(696)
Supplies and materials	2,600	2,600	1,787	(813)
Total City Collector	<u>44,602</u>	<u>37,142</u>	<u>35,633</u>	<u>(1,509)</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, 2010**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>EXPENDITURES (Continued)</b>				
Current (Continued):				
General government (Continued):				
City attorney:				
General services	<u>32,500</u>	<u>22,295</u>	<u>21,963</u>	<u>(332)</u>
Municipal court:				
Personnel services	35,510	35,510	34,806	(704)
Supplies and materials	1,200	2,000	1,904	(96)
General services	7,250	11,965	11,821	(144)
Maintenance and repairs	<u>200</u>	<u>200</u>	<u>200</u>	<u>-</u>
Total Municipal Court	<u>44,160</u>	<u>49,675</u>	<u>48,731</u>	<u>(944)</u>
Incidental:				
Personnel services	805,000	847,229	795,429	(51,800)
Supplies and materials	11,000	11,000	9,328	(1,672)
General services	341,950	312,995	311,823	(1,172)
Maintenance and repairs	<u>5,650</u>	<u>5,650</u>	<u>5,504</u>	<u>(146)</u>
Total Incidental	<u>1,163,600</u>	<u>1,176,874</u>	<u>1,122,084</u>	<u>(54,790)</u>
Legals and elections:				
General service	<u>14,200</u>	<u>14,200</u>	<u>12,336</u>	<u>(1,864)</u>
Total General Gov- ernment	<u>1,626,487</u>	<u>1,641,420</u>	<u>1,570,176</u>	<u>(71,244)</u>
Public safety:				
Personnel services	1,163,450	1,173,265	1,170,374	(2,891)
Supplies and materials	59,527	66,516	65,147	(1,369)
General services	64,900	65,895	64,419	(1,476)
Maintenance and repairs	81,200	76,527	63,083	(13,444)
Capital outlay	<u>70,322</u>	<u>58,902</u>	<u>51,637</u>	<u>(7,265)</u>
Total Public Safety	<u>1,439,399</u>	<u>1,441,105</u>	<u>1,414,660</u>	<u>(26,445)</u>
Street department:				
Personnel services	346,850	346,850	343,526	(3,324)
Supplies and materials	105,000	116,630	115,373	(1,257)
General services	13,950	51,791	47,902	(3,889)

**(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, 2010**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>EXPENDITURES (Continued)</b>				
Current (Continued):				
Street department (Continued):				
Maintenance and repairs	241,550	215,670	213,392	(2,278)
Capital outlay	2,155,454	1,644,106	1,639,135	(4,971)
Total Street Department	<u>2,862,804</u>	<u>2,375,047</u>	<u>2,359,328</u>	<u>(15,719)</u>
Refuse collection and other:				
Cemetery:				
General services	60	60	-	(60)
Maintenance and repairs	12,000	12,000	9,344	(2,656)
Total Cemetery	<u>12,060</u>	<u>12,060</u>	<u>9,344</u>	<u>(2,716)</u>
Sanitation:				
General services	450,000	583,400	583,301	(99)
Total Refuse Collection And Other	<u>462,060</u>	<u>595,460</u>	<u>592,645</u>	<u>(2,815)</u>
Planning and development:				
Engineering services:				
Personnel services	148,570	148,570	149,021	451
Supplies and materials	1,500	1,500	1,188	(312)
General services	2,300	2,300	1,362	(938)
Maintenance and repairs	4,300	4,300	3,025	(1,275)
Total Engineering Services	<u>156,670</u>	<u>156,670</u>	<u>154,596</u>	<u>(2,074)</u>
Economic development:				
Personnel services	97,840	97,840	97,421	(419)
Supplies and materials	1,250	1,250	932	(318)
General services	44,450	36,845	32,283	(4,562)
Maintenance and repairs	1,550	1,550	720	(830)
Capital outlay	149,982	149,982	150,120	138
Total Economic Devel- opment	<u>295,072</u>	<u>287,467</u>	<u>281,476</u>	<u>(5,991)</u>
Total Planning And De- velopment	<u>451,742</u>	<u>444,137</u>	<u>436,072</u>	<u>(8,065)</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, 2010**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>EXPENDITURES (Continued)</b>				
Current (Continued):				
Building maintenance:				
Personnel services	38,090	38,090	39,436	1,346
Supplies and materials	4,900	4,900	4,729	(171)
General services	20,250	20,250	17,792	(2,458)
Maintenance and repairs	10,200	10,200	10,612	412
Total Building Maintenance	<u>73,440</u>	<u>73,440</u>	<u>72,569</u>	<u>(871)</u>
Total Expenditures	<u>6,915,932</u>	<u>6,570,609</u>	<u>6,445,450</u>	<u>(125,159)</u>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>(408,166)</u>	<u>(101,098)</u>	<u>27,147</u>	<u>128,245</u>
<b>OTHER FINANCING SOURCES</b>				
<b>(USES)</b>				
Sale of capital assets	1,500	1,500	1,625	125
Transfers in	750,000	750,000	750,000	-
Transfers out	<u>(319,500)</u>	<u>(319,500)</u>	<u>(319,500)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>432,000</u>	<u>432,000</u>	<u>432,125</u>	<u>125</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 23,834</u>	<u>330,902</u>	<u>459,272</u>	<u>128,370</u>
<b>FUND BALANCE, JULY 1</b>			<u>5,673,631</u>	
<b>FUND BALANCE, JUNE 30</b>			<u>\$ 6,132,903</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, 2010**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>				
Taxes	\$ 241,000	241,000	241,381	381
Charges for services	163,200	194,085	207,193	13,108
Intergovernmental	15,000	-	-	-
Investment income	5,000	5,000	13,377	8,377
Miscellaneous	52,000	623,025	623,229	204
Total Revenues	<u>476,200</u>	<u>1,063,110</u>	<u>1,085,180</u>	<u>22,070</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	694,863	714,717	682,274	(32,443)
Debt service:				
Principal	-	1,095,250	1,095,250	-
Interest and fiscal charges	25,000	26,896	25,013	(1,883)
Capital outlay	64,065	64,200	64,194	(6)
Total Expenditures	<u>783,928</u>	<u>1,901,063</u>	<u>1,866,731</u>	<u>(34,332)</u>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(307,728)	(837,953)	(781,551)	56,402
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>319,500</u>	<u>319,500</u>	<u>319,500</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 11,772</u>	<u>(518,453)</u>	(462,051)	<u>56,402</u>
<b>FUND BALANCE, JULY 1</b>			<u>519,699</u>	
<b>FUND BALANCE, JUNE 30</b>			<u>\$ 57,648</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, 2010**

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	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>			
Taxes	\$ 775,000	775,897	897
Investment income	10,000	15,193	5,193
Total Revenues	<u>785,000</u>	<u>791,090</u>	<u>6,090</u>
 <b>OTHER FINANCING USES</b>			
Transfers out	<u>(750,000)</u>	<u>(750,000)</u>	<u>-</u>
 <b>NET CHANGE IN FUND BALANCE</b>	 <u><u>\$ 35,000</u></u>	 41,090	 <u><u>6,090</u></u>
 FUND BALANCE, JULY 1		<u>684,254</u>	
 FUND BALANCE, JUNE 30		<u><u>\$ 725,344</u></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, 2010**

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**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, 2010**

	<u>Special Revenue</u>		<u>Debt Service</u>		
	<u>Cemetery Fund</u>	<u>Stormwater Management Fund</u>	<u>Swimplex Fund</u>	<u>2006B Certificates Of Participation Fund</u>	<u>Total</u>
<b>ASSETS</b>					
Cash and investments	\$ 65,853	79,850	79,896	-	225,599
Restricted Assets:					
Cash	<u>-</u>	<u>-</u>	<u>-</u>	<u>522,636</u>	<u>522,636</u>
Total Assets	<u>\$ 65,853</u>	<u>79,850</u>	<u>79,896</u>	<u>522,636</u>	<u>748,235</u>
<b>FUND BALANCES</b>					
Reserved for:					
Debt Service	\$ -	-	-	227,502	227,502
Unreserved:					
Special Revenue Funds	65,853	79,850	-	-	145,703
Debt Service Funds	<u>-</u>	<u>-</u>	<u>79,896</u>	<u>295,134</u>	<u>375,030</u>
Total Fund Balances	<u>\$ 65,853</u>	<u>79,850</u>	<u>79,896</u>	<u>522,636</u>	<u>748,235</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, 2010**

	<u>Special Revenue</u>		<u>Debt Service</u>		
				2006B	
	Cemetery	Stormwater	Swimplex	Certificates Of	
	Fund	Management	Fund	Participation	Total
	Fund	Fund	Fund	Fund	
<b>REVENUES</b>					
Investment income	\$ 1,666	2,060	2,061	77	5,864
<b>EXPENDITURES</b>					
Debt Service:					
Interest and fiscal charges	-	-	-	2,925	2,925
<b>REVENUES OVER (UNDER)</b>					
<b>EXPENDITURES</b>	1,666	2,060	2,061	(2,848)	2,939
<b>OTHER FINANCING</b>					
<b>SOURCES</b>					
Sale of capital assets	1,625	-	-	-	1,625
<b>NET CHANGES IN FUND</b>					
<b>BALANCES</b>	3,291	2,060	2,061	(2,848)	4,564
FUND BALANCES, JULY 1	62,562	77,790	77,835	525,484	743,671
FUND BALANCES, JUNE 30	<u>\$ 65,853</u>	<u>79,850</u>	<u>79,896</u>	<u>522,636</u>	<u>748,235</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, 2010**

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	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>			
Investment income	\$ 800	1,666	866
<b>OTHER FINANCING SOURCES</b>			
Sale of capital assets	<u>500</u>	<u>1,625</u>	<u>1,125</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ 1,300</u></u>	3,291	<u><u>1,991</u></u>
<b>FUND BALANCE, JULY 1</b>		<u>62,562</u>	
<b>FUND BALANCE, JUNE 30</b>		<u><u>\$ 65,853</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, 2010**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>				
Investment income	\$ 1,000	1,000	2,060	1,060
Miscellaneous	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 6,000</u>	<u>1,000</u>	2,060	<u>1,060</u>
<b>FUND BALANCE, JULY 1</b>			<u>77,790</u>	
<b>FUND BALANCE, JUNE 30</b>			<u>\$ 79,850</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, 2010**

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	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>			
Investment income	<u>\$ 1,000</u>	<u>2,061</u>	<u>1,061</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ 1,000</u></u>	<u>2,061</u>	<u><u>1,061</u></u>
<b>FUND BALANCE, JULY 1</b>		<u>77,835</u>	
<b>FUND BALANCE, JUNE 30</b>		<u><u>\$ 79,896</u></u>	

**CITY OF UNION, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EX-**  
**PENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -**  
**2006B CERTIFICATES OF PARTICIPATION FUND - DEBT SERVICE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2010**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>				
Investment income	\$ 6,000	75	77	2
<b>EXPENDITURES</b>				
Debt service:				
Interest and fiscal charges	<u>-</u>	<u>2,930</u>	<u>2,925</u>	<u>(5)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 6,000</u>	<u>(2,855)</u>	<u>(2,848)</u>	<u>7</u>
FUND BALANCE, JULY 1			<u>525,484</u>	
FUND BALANCE, JUNE 30			<u>\$ 522,636</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, 2010**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>OPERATING REVENUES</b>				
Charges for services:				
Water	\$ 1,097,600	1,010,275	1,010,291	16
Sewer	795,000	773,430	773,432	2
Total Operating Revenues	<u>1,892,600</u>	<u>1,783,705</u>	<u>1,783,723</u>	<u>18</u>
<b>OPERATING EXPENSES</b>				
Depreciation	-	521,835	521,829	(6)
Amortization	-	8,353	8,353	-
Water	972,100	531,221	504,932	(26,289)
Sewer	918,600	674,772	642,698	(32,074)
Total Operating Expenses	<u>1,890,700</u>	<u>1,736,181</u>	<u>1,677,812</u>	<u>(58,369)</u>
<b>OPERATING INCOME (LOSS)</b>	<u>1,900</u>	<u>47,524</u>	<u>105,911</u>	<u>58,387</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Taxes	760,000	767,920	775,930	8,010
Investment income	15,500	47,675	46,675	(1,000)
Miscellaneous	16,000	65,285	64,517	(768)
Interest expense	(247,048)	(233,568)	(233,566)	2
Total Nonoperating Revenues (Expenses)	<u>544,452</u>	<u>647,312</u>	<u>653,556</u>	<u>6,244</u>
<b>NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<u>546,352</u>	<u>694,836</u>	<u>759,467</u>	<u>64,631</u>
<b>CAPITAL CONTRIBUTIONS</b>	<u>-</u>	<u>229,044</u>	<u>229,045</u>	<u>1</u>
<b>CHANGE IN NET ASSETS</b>	<u>\$ 546,352</u>	<u>923,880</u>	<u>988,512</u>	<u>64,632</u>
<b>NET ASSETS, JULY 1</b>			<u>17,729,659</u>	
<b>NET ASSETS, JUNE 30</b>			<u>\$ 18,718,171</u>	

**SECTION III**  
**STATISTICAL INFORMATION SECTION**

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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.

<b>Contents</b>	<b>Pages</b>
<b>Financial Trends</b>	
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
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	64 - 67
<b>Debt Capacity</b>	
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
<b>Demographic and Economic Information</b>	
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
<b>Operating Information</b>	
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 SIX FISCAL YEARS**

	<b>June 30</b>					
	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
<b>Governmental Activities</b>						
Invested in capital assets, net of related debt	\$ 16,321,346	14,001,754	11,862,875	4,910,623	1,834,521	719,883
Restricted	1,531,227	1,947,624	4,637,719	2,076,840	711,290	660,220
Unrestricted	6,121,098	5,699,764	4,533,001	3,892,677	5,006,153	3,991,252
 Total Governmental Activities Net Assets	 <u>\$ 23,973,671</u>	 <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>
<b>Business-type Activities</b>						
Invested in capital assets, net of related debt	\$ 16,395,600	15,633,177	14,816,373	13,230,426	10,139,687	8,274,947
Restricted	916,044	1,215,391	1,116,280	866,074	1,160,032	859,113
Unrestricted	1,406,527	881,091	717,635	1,127,733	554,647	1,455,902
 Total Business-type Activities Net Assets	 <u>\$ 18,718,171</u>	 <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>
<b>Primary Government</b>						
Invested in capital assets, net of related debt	\$ 32,716,946	29,634,931	26,679,248	18,141,049	11,974,208	8,994,830
Restricted	2,447,271	3,163,015	5,753,999	2,942,914	1,871,322	1,519,333
Unrestricted	7,527,625	6,580,855	5,250,636	5,020,410	5,560,800	5,447,154
 Total Primary Government Net Assets	 <u>\$ 42,691,842</u>	 <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 SIX FISCAL YEARS**

<b>For The Years Ended June 30</b>						
	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
<b>EXPENSES</b>						
<b>Governmental Activities</b>						
General government	\$ 1,570,872	1,512,762	1,409,039	1,318,463	1,209,771	1,120,103
Public safety	1,449,950	1,495,039	1,352,696	1,158,425	1,092,411	985,320
Street department	1,229,372	1,696,109	916,981	733,879	602,777	569,234
Refuse collection and other	592,645	512,651	489,344	455,528	435,822	433,317
Culture and recreation	769,928	748,890	716,764	646,279	590,671	594,940
Planning and development	438,776	405,875	468,972	377,899	286,525	244,625
Building maintenance	89,991	100,942	84,915	78,277	70,398	58,993
Interest and fiscal charges	27,938	327,304	134,636	147,184	215,311	216,877
Total Governmental Activities Expenses	6,169,472	6,799,572	5,573,347	4,915,934	4,503,686	4,223,409
<b>Business-type Activities</b>						
Water/sewer	1,911,378	1,994,739	1,837,237	1,671,242	1,414,645	1,378,748
Total Primary Government Expenses	8,080,850	8,794,311	7,410,584	6,587,176	5,918,331	5,602,157
<b>PROGRAM REVENUES</b>						
<b>Governmental Activities</b>						
Charges for services:						
General government	129,462	104,800	145,709	134,165	245,323	186,800
Public safety	192,358	179,989	163,715	177,447	145,883	111,622
Street department	5,105	642	1,651	5,895	-	-
Refuse collection and other	603,578	499,050	473,582	444,972	418,900	393,426
Culture and recreation	217,506	213,116	237,257	203,906	211,525	202,111
Planning and development	711	16,272	-	941	-	-
Operating grants and contributions	383,815	426,906	458,802	374,997	-	-
Capital grants and contributions	1,198,805	508,810	6,508,952	2,301,269	313,304	39,833
Total Governmental Activities Program Revenues	2,731,340	1,949,585	7,989,668	3,643,592	1,334,935	933,792
<b>Business-type Activities</b>						
Charges for services:						
Water/sewer	1,783,723	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	229,045	58,120	680,401	1,197,277	-	-
Total Business-type Activities Program Revenues	2,012,768	1,868,521	2,601,989	3,024,030	1,801,907	1,638,626
Total Primary Government Program Revenues	4,744,108	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 SIX FISCAL YEARS**

	For The Years Ended June 30					
	2010	2009	2008	2007	2006	2005
<b>NET REVENUES (EXPENSES)</b>						
Governmental activities	(3,438,132)	(4,849,987)	2,416,321	(1,272,342)	(3,168,751)	(3,289,617)
Business-type activities	101,390	(126,218)	764,752	1,352,788	387,262	259,878
Total Primary Government Net Revenues (Expenses)	(3,336,742)	(4,976,205)	3,181,073	80,446	(2,781,489)	(3,029,739)
<b>GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS</b>						
<b>Governmental Activities</b>						
Taxes:						
Sales	2,327,690	2,378,862	2,523,912	2,391,467	2,284,329	2,194,395
Property	1,056,084	1,007,328	974,171	907,026	843,656	756,917
Franchise	1,338,241	1,215,314	1,385,504	998,653	921,519	853,945
Other	275,591	384,789	338,589	260,541	519,366	637,131
Investment income	139,420	196,484	234,887	223,812	132,041	72,374
Gain on sale of assets	1,625	94,746	1,947,996	38,320	710,886	-
Rental income	-	71,911	56,183	51,761	-	-
Miscellaneous	624,010	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	5,762,661	5,465,534	7,737,134	4,189,121	5,420,643	4,656,738
<b>Business-type Activities</b>						
Sales taxes	775,930	792,580	840,905	796,675	637,320	365,725
Investment income	46,675	45,092	47,548	56,841	49,342	24,538
Miscellaneous	64,517	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	887,122	1,205,589	661,303	1,880,378	877,142	552,311
Total Primary Government General Revenues And Other Changes In Net Assets	6,649,783	6,671,123	8,398,437	6,069,499	6,297,785	5,209,049
<b>CHANGES IN NET ASSETS</b>						
Governmental activities	2,324,529	615,547	10,153,455	2,916,779	2,251,892	1,367,121
Business-type activities	988,512	1,079,371	1,426,055	3,233,166	1,264,404	812,189
Total Primary Government	\$ 3,313,041	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 SIX FISCAL YEARS**

	<b>June 30</b>					
	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
<b>General Fund</b>						
Reserved	\$ 131,912	144,600	73,124	113,447	70,114	75,523
Unreserved	<u>6,000,991</u>	<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><u>6,132,903</u></u>	<u><u>5,673,631</u></u>	<u><u>4,482,545</u></u>	<u><u>3,905,092</u></u>	<u><u>3,742,346</u></u>	<u><u>3,059,175</u></u>
<b>Park Fund</b>						
Reserved	\$ 33,662	28,355	13,500	14,000	22,188	21,290
Unreserved	<u>23,986</u>	<u>491,344</u>	<u>453,865</u>	<u>404,518</u>	<u>257,738</u>	<u>187,967</u>
Total Park Fund	<u><u>\$ 57,648</u></u>	<u><u>519,699</u></u>	<u><u>467,365</u></u>	<u><u>418,518</u></u>	<u><u>279,926</u></u>	<u><u>209,257</u></u>
<b>Transportation Tax Fund</b>						
Reserved	\$ -	-	-	-	-	-
Unreserved	<u>725,344</u>	<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><u>\$ 725,344</u></u>	<u><u>684,254</u></u>	<u><u>1,377,085</u></u>	<u><u>503,800</u></u>	<u><u>404,077</u></u>	<u><u>325,993</u></u>
<b>2000 Certificates Of Participation Fund</b>						
Reserved	\$ -	-	-	-	410,481	-
Unreserved	<u>-</u>	<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></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>678,469</u></u>	<u><u>-</u></u>
<b>2006B Certificates Of Participation Fund</b>						
Reserved	\$ 227,502	227,500	227,814	227,500	-	-
Unreserved	<u>295,134</u>	<u>297,984</u>	<u>2,344,595</u>	<u>504,997</u>	<u>-</u>	<u>-</u>
Total 2006B Certificates Of Participation Fund	<u><u>\$ 522,636</u></u>	<u><u>525,484</u></u>	<u><u>2,572,409</u></u>	<u><u>732,497</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
<b>All Other Governmental Funds</b>						
Reserved	\$ -	-	-	208,647	208,507	563,807
Unreserved, reported in:						
Special Revenue Funds	145,703	140,352	135,085	122,682	81,405	45,878
Capital Projects Funds	-	-	-	-	299,186	291,627
Debt Service Funds	<u>79,896</u>	<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><u>\$ 225,599</u></u>	<u><u>218,187</u></u>	<u><u>220,860</u></u>	<u><u>422,025</u></u>	<u><u>682,718</u></u>	<u><u>1,134,350</u></u>

Source: Basic financial statements.

GASB 34 was implemented in 2005.

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

	For The Years Ended June 30					
	2010	2009	2008	2007	2006	2005
<b>REVENUES</b>						
Taxes	\$ 5,324,980	5,265,651	5,501,547	4,892,028	4,568,870	4,442,387
Fines and forfeitures	112,758	111,930	128,722	134,838	145,883	111,622
Licenses and permits	90,640	102,739	144,464	132,872	200,545	146,068
Charges for services	865,901	759,292	680,594	631,525	586,172	557,244
Intergovernmental	1,124,971	461,186	696,473	100,090	41,553	39,833
Investment income	139,420	196,484	234,887	223,812	132,041	72,376
Rental income	36,701	71,911	56,183	51,761	43,492	39,327
Miscellaneous	659,360	514,586	97,135	154,957	82,816	62,299
Total Revenues	8,354,731	7,483,779	7,540,005	6,321,883	5,801,372	5,471,156
<b>EXPENDITURES</b>						
General government	1,570,176	1,506,064	1,395,844	1,306,823	1,197,458	1,103,574
Public safety	1,363,023	1,429,339	1,239,194	1,048,852	1,034,736	947,302
Street department	720,193	600,529	523,690	439,864	437,740	429,985
Refuse collection and other	592,645	512,651	489,344	455,528	435,822	433,317
Culture and recreation	682,274	1,803,051	587,083	528,041	503,763	463,890
Planning and development	285,952	253,080	278,800	332,099	282,536	217,576
Building maintenance	72,569	80,988	67,445	54,394	54,450	49,248
Capital outlay	1,905,086	1,788,263	1,713,852	873,900	678,903	744,214
Debt service:						
Principal	1,095,250	1,795,000	270,000	210,000	614,947	145,000
Interest and fiscal charges	27,938	66,319	112,124	79,000	215,311	218,156
Bond issue costs	-	-	-	68,651	-	-
Total Expenditures	8,315,106	9,835,284	6,677,376	5,397,152	5,455,666	4,752,262
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	39,625	(2,351,505)	862,629	924,731	345,706	718,894
<b>OTHER FINANCING SOURCES (USES)</b>						
Sale of capital assets	3,250	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	1,069,500	2,734,829	995,555	2,232,235	2,352,682	1,178,753
Transfers out	(1,069,500)	(3,073,429)	(737,837)	(3,241,683)	(2,364,488)	(1,185,996)
Total Other Financing Sources (Uses)	3,250	852,496	2,275,703	(1,037,958)	713,055	(4,393)
<b>NET CHANGES IN FUND BALANCES</b>	\$ 42,875	(1,499,009)	3,138,332	(113,227)	1,058,761	714,501
Debt service as a percentage of noncapital expenditures	21.4 %	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 SIX FISCAL YEARS**

FUNCTIONS/PROGRAMS	Program Revenues					
	2010	2009	2008	2007	2006	2005
<b>Governmental Activities</b>						
General government	\$ 129,462	104,800	145,709	134,165	517,074	186,800
Public safety	295,769	369,044	340,771	332,037	187,436	151,455
Street department	1,482,449	722,870	6,778,374	2,520,718	-	-
Refuse collection and other	603,578	499,050	473,582	444,972	418,900	393,426
Culture and recreation	219,371	237,549	251,232	210,759	211,525	202,111
Planning and development	711	16,272	-	941	-	-
Total Governmental Activities	2,731,340	1,949,585	7,989,668	3,643,592	1,334,935	933,792
<b>Business-type Activities</b>						
Water/sewer	2,012,768	1,868,521	2,601,989	3,024,030	1,801,907	1,638,626
Total Primary Government	<u>\$ 4,744,108</u>	<u>3,818,106</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 SIX FISCAL YEARS**

<b>Fiscal Year</b>	<b>Sales Taxes</b>	<b>Property Taxes</b>	<b>Franchise Taxes</b>	<b>Other Taxes</b>	<b>Total</b>
2010	\$ 2,327,690	\$ 1,090,725	\$ 1,338,241	\$ 568,324	\$ 5,324,980
2009	2,378,862	997,214	1,215,314	674,261	5,265,651
2008	2,523,912	945,460	1,385,504	646,671	5,501,547
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
2010	2009	\$ 78,452,987	\$ 50,862,259	\$ 1,546,562	\$ 130,861,808	\$ 584,742,034	\$ 28,169,432	\$ 84,508,296
2009	2008	77,384,338	49,068,689	1,435,266	127,888,293	572,586,193	28,549,025	85,647,075
2008	2007	74,756,189	47,180,068	1,647,990	123,584,247	554,624,589	27,987,390	83,962,170
2007	2006	62,528,100	43,971,403	1,241,911	107,741,414	476,855,156	29,007,786	87,023,358
2006	2005	58,141,116	42,080,582	967,100	101,188,798	445,566,859	25,386,219	76,158,657
2005	2004	46,894,294	35,837,738	1,129,441	83,861,473	368,217,013	23,512,252	70,536,756
2004	2003	43,848,344	34,293,794	1,251,130	79,393,268	348,374,947	23,323,090	69,969,270
2003	2002	40,908,830	32,967,263	616,762	74,492,855	323,472,012	25,725,561	77,176,683
2002	2001	39,262,013	31,339,221	578,519	71,179,753	309,398,231	25,129,848	75,389,544
2001	2000	35,168,850	26,983,774	858,772	63,011,396	276,579,938	22,700,024	68,100,072

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	
2010	2009	\$ 5,370,843	\$ 16,644,781	\$ 164,402,083	\$ 685,895,111	24.0 %
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

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>2010</u>	<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>
City of Union	0.650	0.639	0.636	0.656	0.656	0.694	0.694	0.681	0.670	0.670
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	0.881	0.884	0.884	0.894	0.936	0.946	0.951	0.941	0.932	0.882
Union Fire Protection District	0.269	0.269	0.268	0.279	0.279	0.293	0.293	0.293	0.289	0.293
Union Ambulance District	0.165	0.166	0.165	0.172	0.172	0.180	0.180	0.180	0.180	0.180
Union School District	3.700	3.700	3.510	3.470	3.470	3.470	3.470	3.470	3.470	3.470
East Central College	0.433	0.435	0.431	0.447	0.447	0.437	0.469	0.454	0.453	0.448
The Franklin County Library District	0.076	0.092	0.091	0.096	0.096	0.100	0.100	0.100	0.097	0.098

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



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

Taxpayer	2010			2005		
	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	2.32 %	\$ 3,834,045	1	3.45 %
Wal-Mart Supercenter	1,904,742	2	1.16	1,616,406	2	1.45
D R G Plastics	1,161,894	3	0.71	636,208	9	0.57
MHB LLC	1,113,712	4	0.70	1,126,611	3	1.01
Union Housing Association	1,140,336	5	0.69	-		-
Black Creek Corporation	864,783	6	0.41	-		-
United Bank of Union	806,838	7	0.49	686,058		0.62
Franklin Co. Medical Outreach	696,304	8	0.42	733,549	6	0.66
Jelco Realty	666,113	9	0.41	713,968	7	0.64
P C A Enterprise	669,599	10	0.41	-		-
Pharma Tech Industries	-	11	-	864,998	4	0.78
MO Natural Gas	-	12	-	779,853	5	0.70
Bequette Properties LLC	-	13	-	602,276	10	0.54
	<u>\$ 12,836,490</u>		<u>7.72 %</u>	<u>\$ 11,593,972</u>		<u>10.42 %</u>

Source: Franklin County IT Department - five years of data is what the County has on record.

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

<b>Fiscal Year</b>	<b>Tax Levy Year</b>	<b>Net Tax Levy</b>	<b>Current Tax Collections</b>	<b>Percent Collected As Current</b>	<b>Delinquent Tax Collections</b>	<b>Total Tax Collections</b>	<b>Total Collections As Percent Of Levy</b>	<b>Outstanding Delinquent Taxes</b>	<b>Outstanding Delinquent Taxes As Percent Of Levy</b>
2010	2009	\$ 1,037,528	\$ 926,243	89.3 %	\$ 86,171	\$ 1,012,414	97.6 %	\$ 111,285	10.73 %
2009	2008	1,005,337	895,015	89.0	104,438	999,453	99.4	110,322	10.97
2008	2007	965,544	842,659	87.3	92,112	934,771	96.8	122,885	12.73
2007	2006	897,501	797,497	88.9	187,721	985,218	109.8	100,004	11.14
2006	2005	830,814	655,009	78.8	83,840	738,849	88.9	175,805	21.16
2005	2004	747,925	663,536	88.7	78,060	741,596	99.2	84,389	11.28
2004	2003	713,666	636,528	89.2	121,445	757,973	106.2	77,138	10.81
2003	2002	684,526	536,318	78.3	181,228	717,546	104.8	148,208	21.65
2002	2001	543,400	435,354	80.1	21,324	456,678	84.0	108,046	19.88
2001	2000	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		
2010	\$ -	\$ -	\$ -	\$ -	\$ 810,294	\$ 3,770,000	\$ -	\$ 4,580,294	\$ 472
2009	14,020	-	-	1,095,250	856,399	3,910,000	-	5,875,669	N/A
2008	34,407	1,795,000	-	-	900,169	4,045,000	-	6,774,576	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

(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, 2010**

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<b>Name Of Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Estimated Share Of Overlapping Debt</b>
East Central College	\$ 19,525,371	11.00 %	\$ 2,147,791
Union School District	<u>34,482,692</u>	100.00	<u>34,482,692</u>
	54,008,063		36,630,483
City direct debt	<u>-</u>	100.00 %	<u>-</u>
Total Direct And Overlapping Debt	<u><u>\$ 54,008,063</u></u>		<u><u>\$ 36,630,483</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									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Assessed Value	<u>\$164,402,083</u>	<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>
Debt Limit - 10% Of Total Assessed Valuation	<u>\$ 16,440,208</u>	<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>
<b>Amount Of Debt Subject To Limit</b>										
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>\$ 16,440,208</u>	<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>

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**

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Median Household Income (2)</b>	<b>Personal Income</b>	<b>Public School Enrollment (3)</b>	<b>Unemployment Rate (4)</b>
2010	9,714	N/A	N/A	3,054	10.5 %
2009	N/A	N/A	N/A	3,025	9.3
2008	9,684	\$ 49,064	\$ 35,244	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

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	2010			2001		
	Employees	Rank	Percent Of Total City Employment	Employees	Rank	Percent Of Total City Employment
Union School District	369	1	9.78 %	380	1	10.11 %
Esselte	361	2	9.57	522	2	13.89
Franklin County Government	309	3	8.19	-		-
East Central College	202	4	5.36	251	4	6.68
Rexam Containers	181	5	4.80	129	7	3.43
Wal-Mart Supercenter	166	6	4.40	240	5	6.39
Spartan Showcase	111	7	2.94	160	6	4.26
American Plastics	98	8	2.60	-		-
The Children's Factory	92	9	2.44	-		-
Pharma Tech Industries	72	10	1.91	-		-
Transaction Technology	-		-	260	3	6.92
Washington Metal Fabricators	-		-	125	8	3.33
Sunset Health Care	-		-	120	9	3.19
Esselte Distribution	-		-	94	10	2.50
	<u>1,961</u>		<u>51.99 %</u>	<u>2,281</u>		<u>60.70 %</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									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Administration Department:										
City administrator	1	1	1	1	1	1	1	1	1	1
Administrative assistant	1	1	1	1	1	1	1	1	1	1
City clerk	1	1	1	1	1	1	1	1	1	1
Deputy city clerk/accounting clerk	1	1	1	1	1	1	1	1	1	1
Finance officer	1	1	1	-	-	-	-	-	-	-
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
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	1	-	-
Street superintendant	-	-	-	-	-	-	-	-	1	1
Street foreman	1	1	1	1	1	1	1	1	1	1
Street equipment operator	3	3	3	2	2	2	2	2	2	2
Street laborer	4	4	4	2	1	1	1	1	1	1
Street mechanic	2	2	2	1	1	1	1	1	1	1

(Continued)



**CITY OF UNION, MISSOURI**

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

**LAST TEN FISCAL YEARS**

FUNCTIONS/PROGRAMS (Continued)	Full-Time Equivalent Employees As Of June 30									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Water/Wastewater Department:										
Water/wastewater superintendant	-	-	-	-	-	-	-	-	1	1
Water/wastewater foreman	1	1	1	1	1	1	1	1	-	-
Field foreman	1	1	1	1	-	-	-	-	-	-
Water/distribution operator	6	6	6	2	2	2	2	2	2	2
Water/wastewater apprentice	-	-	-	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	2	1	1	1	1	1	1	1
School resource officer	2	2	1	1	1	1	1	1	1	-
Parking control officer	1	1	1	1	1	1	1	1	1	1
Patrol officer	10	10	9	9	9	9	9	8	8	8
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**

<b>FUNCTIONS/PROGRAMS</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
Police - patrol:										
Arrests	705	665	475	610	550	600	699	628	698	595
Traffic citations	1,733	1,573	1,416	1,810	1,715	1,843	1,789	1,546	1,863	2,339
Crime reports	4,034	3,991	3,846	4,187	3,723	3,541	3,729	3,463	3,722	4,057
Accident reports	521	520	548	458	349	382	405	381	378	383
Public works:										
Road repair - tons of mix	1,686	1,453	955	1,868	2,452	3,078	2,579	3,178	2,218	2,017
Traffic control signs serviced	294	97	88	253	128	103	115	149	138	-
Storm sewer grates and lids inspected	1,069	921	1,082	967	795	725	591	591	N/A	N/A
Parks:										
Acres mowed and maintained	187	187	187	187	187	187	187	187	187	187
Trees and shrubs planted	8	4	3	25	100	N/A	N/A	N/A	N/A	N/A
Engineering/building inspection:										
Rezoning applications	1	3	2	-	4	4	5	5	2	3
Building permits issued	194	147	253	280	275	302	310	280	254	213
Water permits issued	50	42	80	94	123	166	163	132	120	78
Sewer permits issued	48	36	74	83	104	159	155	126	111	68
Finance and administration:										
Business licenses issued	655	583	684	639	607	578	555	541	N/A	N/A
Payroll checks issued	4,102	4,015	3,769	3,424	3,601	3,583	3,644	3,607	N/A	N/A
Accounts payable processed	2,216	2,598	2,494	2,302	2,308	2,376	2,536	2,443	N/A	N/A
Requests for public records	4	3	2	3	3	2	2	3	N/A	N/A
Liquor licenses issued	50	46	45	36	33	30	31	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**

<b>FUNCTIONS/PROGRAMS</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Marked patrol units	13	13	12	10	10	9	7	7	7	6
Public works:										
Miles of streets	87.59	87.10	87.10	86.67	84.96	83.53	82.76	81.26	79.95	N/A
Traffic lights and signals	2	2	2	2	2	2	2	2	2	2
Miles of sanitary sewer line	75.55	74.68	74.68	74.07	71.36	69.13	67.97	67.09	64.85	N/A
Number of meters	3,905	3,975	3,975	4,054	3,794	3,631	3,584	3,452	3,241	N/A
Miles of water line	83.14	82.60	82.60	82.37	80.49	78.45	78.37	77.52	76.66	N/A
Number of pumping stations	16	16	14	13	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	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	5	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.