

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

**NEW ISSUE
BOOK-ENTRY-ONLY
BANK QUALIFIED**

**S&P: "AA-"
See "RATING" herein.**

In the opinion of Gilmore & Bell, P.C., Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), (1) the interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, (2) the interest on the Bonds is exempt from income taxation by the State of Missouri and (3) the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. See "TAX MATTERS" in this Official Statement.

OFFICIAL STATEMENT
\$2,390,000
CITY OF MARYVILLE, MISSOURI
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2018

Dated: Date of Delivery

**Due: March 1, as shown on
the inside cover page**

The Bonds are issuable only as fully registered bonds, without coupons, and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in authorized denominations. Purchasers will not receive certificates representing their interests in Bonds purchased. So long as Cede & Co. is the registered owner of the bonds, as nominee of DTC, references herein to the Bondowners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (herein defined) of the Bonds.

The Bonds will be issued in the denomination of \$5,000 or any integral multiple thereof. Semiannual interest will be payable on March 1 and September 1, beginning on September 1, 2018. Principal will be payable upon presentation and surrender of the Bonds by the registered owners thereof at the payment office of UMB Bank, N.A., Kansas City, Missouri, Paying Agent. Interest will be payable by check or draft of the Paying Agent mailed (or by electronic transfer in certain circumstances as described herein) to the persons who are the registered owners of the Bonds as of the close of business on the fifteenth day of the month preceding the interest payment date. So long as DTC or its nominee, Cede & Co., is the Bondowner, such payments will be made directly to such Bondowner. DTC is expected, in turn, to remit such payments to the DTC Participants (herein defined) for subsequent disbursement to the Beneficial Owners.

The Bonds are subject to redemption prior to maturity as described herein.

The Bonds and the interest thereon will constitute general obligations of the City, payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the City.

The Bonds are offered when, as and if issued by the City, subject to the approval of legality by Gilmore & Bell, P.C., Kansas City, Missouri, Bond Counsel. Certain legal matters related to the Official Statement will be passed upon by Gilmore & Bell, P.C., Kansas City, Missouri. It is expected that the Bonds will be available for delivery at The Depository Trust Company in New York, New York on or about February 15, 2018.

An investment in the Bonds involves risk. Prospective purchasers should be able to evaluate the risks and merits of an investment in the Bonds before considering a purchase of the Bonds. See "RISK FACTORS" herein.

Baird

The date of this Official Statement is January 22, 2018.

\$2,390,000
CITY OF MARYVILLE, MISSOURI
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2018

MATURITY SCHEDULE

Serial Bonds

<u>Due March 1</u>	<u>Principal Amount</u>	<u>Rate</u>	<u>Price</u>
2019	\$265,000	5.000%	103.559%
2020	295,000	5.000	106.706
2021	310,000	5.000	109.749
2022	345,000	5.000	112.635
2023	140,000	5.000	115.103
2024	155,000	2.000	100.000
2025	160,000	2.000	99.023
2026	165,000	2.250	99.634
2027	175,000	2.375	99.797
2028	190,000	2.500	100.000
2029	190,000	2.500	99.044

CITY OF MARYVILLE, MISSOURI
415 N. Market Street
Maryville, Missouri 64468
(660) 562-8001

CITY COUNCIL

Jason McDowell, Mayor and Council Member
Rachael Martin, Mayor Pro-Tem and Council Member
Renee Riedel, Council Member
Benjamin Lipiec, Council Member
Jerry Riggs, Council Member

CITY ADMINISTRATION

Greg McDanel, City Manager
Ryan Heiland, Assistant City Manager
Sheila Smail, City Clerk
Denise Town, Treasurer/Finance Director

CERTIFIED PUBLIC ACCOUNTANT

Hochschild, Bloom & Company LLP
Chesterfield, Missouri

SPECIAL COUNSEL

Gilmore & Bell, P.C.
Kansas City, Missouri

MUNICIPAL ADVISOR

Piper Jaffray & Co.
Leawood, Kansas

REGARDING USE OF THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized by the City or the Underwriter to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been furnished by the City and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, by the Underwriter. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or others since the date hereof.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of this information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY STATE SECURITIES OR "BLUE SKY" LAWS. THE BONDS ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION.

CAUTIONARY STATEMENTS REGARDING FORWARD- LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "anticipate," "projected," "budget" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. NEITHER THE CITY NOR ANY OTHER PARTY PLANS TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN THEIR EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES UPON WHICH SUCH STATEMENTS ARE BASED OCCUR OR DO NOT OCCUR.

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OFFICIAL STATEMENT
\$2,390,000
CITY OF MARYVILLE, MISSOURI
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2018

INTRODUCTION

This introduction is only a brief description and summary of certain information contained in this Official Statement and is qualified in its entirety by reference to more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement.

Purpose of the Official Statement

The purpose of this Official Statement is to furnish information relating to (1) the City of Maryville, Missouri (the “City”) and (2) the City’s General Obligation Refunding Bonds, Series 2018 (the “Bonds”), to be issued in the aggregate principal amount of \$2,390,000 to refund a portion of the City’s outstanding General Obligation Refunding and Improvement Bonds, Series 2009 (the “Series 2009 Bonds”), maturing in years 2019 and thereafter.

The City

The City is a third-class city organized and existing under the laws of the State of Missouri. See the caption “**THE CITY**” herein.

The Bonds

The Bonds are being issued pursuant to an ordinance (the “Bond Ordinance”) adopted by the governing body of the City for the purpose of current refunding \$2,445,000 principal amount of the City’s outstanding Series 2009 Bonds maturing in the years 2019 and thereafter (the “Refunded Bonds”), and the City is authorized under the provisions of the Refunding Bond Law (as defined below) to refund, extend and unify the whole or part of its valid general obligation indebtedness. See the caption “**THE BONDS**” herein.

Security and Source of Payment

The Bonds will be general obligations of the City and will be payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all taxable property, real and personal, within the territorial limits of the City. See the caption “**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS**” herein.

Financial Statements

Audited financial statements of the City, as of and for the year ended September 30, 2016 are included in **Appendix B** to this Official Statement. These financial statements have been audited by Hochschild, Bloom & Company, LLP, Chesterfield, Missouri, independent certified public accountants, to the extent and for the periods indicated in their report which is also included in **Appendix B** hereto.

Continuing Disclosure

The City will undertake, pursuant to a continuing disclosure certificate, to provide certain financial information and notices of the occurrence of certain events, if material. A description of this undertaking is set forth in the section “**CONTINUING DISCLOSURE**” herein.

THE CITY

The City encompasses approximately 6.2 square miles and is located in Nodaway County, Missouri, approximately 95 miles north of Kansas City, Missouri. The City has an approximate population of 11,997, according to the estimated 2015 census. See “**APPENDIX A: THE CITY**” and “**APPENDIX B: ACCOUNTANT’S REPORT AND AUDITED FINANCIAL STATEMENTS.**”

PLAN OF FINANCING

Authorization and Purpose of Bonds

The Bonds are authorized pursuant to and in full compliance with the Constitution and statutes of the State of Missouri, including particularly Article VI, Section 28 of the Missouri Constitution and Section 108.140 of the Revised Statutes of Missouri, as amended (the “Refunding Bond Law”).

Refunding of Refunded Bonds

The Bonds are being issued to provide funds to current refund the Refunded Bonds. The maturities and principal amounts of the Refunded Bonds are as follows:

<u>Maturity</u> <u>March 1</u>	<u>Principal</u> <u>Amount</u>
2019	\$275,000
2020	300,000*
2021	315,000*
2022	345,000*
2023	135,000**
2024	150,000**
2025	160,000**
2026	170,000**
2027	185,000***
2028	200,000***
2029	210,000***

*Portions of the term bonds due March 1, 2022.

** Portions of the term bonds due March 1, 2026.

*** Portions of the term bonds due March 1, 2029.

The City will deposit \$2,498,118.13 in the Escrow Fund established under an Escrow Letter of Instructions (the “Escrow Agreement”), between the City and UMB Bank, N.A., Kansas City, Missouri (the “Escrow Agent”). Such moneys deposited with the Escrow Agent will be used to establish an initial cash balance in the Escrow Fund. The cash on deposit in the Escrow Fund will be held in escrow to provide for the payment of the principal of and the interest on the Refunded Bonds when called for redemption on March 1, 2018.

After the issuance of the Bonds and the deposit of the proceeds thereof with the Escrow Agent pursuant to the Escrow Agreement, the holders of the Refunded Bonds are given a lien on, and the principal of and interest on the Refunded Bonds will be payable from, the cash held in the Escrow Fund used to pay the Refunded Bonds when due and when called for redemption on March 1, 2018. Under the Escrow Agreement, the money held by the Escrow Agent is pledged for such purposes and no other.

Sources and Uses of Funds

The following table summarizes the estimated sources of funds and the expected uses of such funds, in connection with the plan of financing:

Sources of Funds:

Principal Amount of the Bonds	\$2,390,000.00
Original Issue Premium	119,832.15
Transfer from Refunded Bonds Debt Service Fund	<u>53,118.13</u>
Total.....	<u>\$2,562,950.28</u>

Uses of Funds:

Deposit to Escrow Fund	\$2,498,118.13
Costs of Issuance including Underwriter's Discount.....	<u>64,832.15</u>
Total.....	<u>\$2,562,950.28</u>

THE BONDS

The following is a summary of certain terms and provisions of the Bonds. Reference is hereby made to the Bonds and the provisions with respect thereto in the Bond Ordinance for the detailed terms and provisions thereof.

General Description

The Bonds will be issued in the principal amounts stated on the inside cover page of this Official Statement, will be dated their date of delivery, and will consist of fully registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof. The Bonds will mature, subject to redemption as described below, on March 1 in the years and in the principal amounts set forth on the inside cover page of this Official Statement. Interest on the Bonds will be payable semiannually on March 1 and September 1 in each year, beginning on September 1, 2018. Principal will be payable upon presentation and surrender of the Bonds by the Registered Owners thereof at the payment office of UMB Bank, N.A., Kansas City, Missouri, Paying Agent. Interest shall be paid to the Registered Owners of the Bonds as shown on the Bond Register at the close of business on the Record Date for such interest (a) by check or draft mailed by the Paying Agent to the address of such Registered Owners shown on the Bond Register, (b) at such other address as is furnished to the Paying Agent in writing by any Registered Owner or (c) in the case of an interest payment to any Registered Owner of \$500,000 or more in aggregate principal amount of Bonds, by electronic transfer to such Registered Owner upon written notice given to the Paying Agent by such Registered Owner, not less than 5 days prior to the Record Date for such interest, containing the electronic transfer instructions including the name and address of the bank (which shall be in the continental United States), ABA routing number, account name and account number to which such Registered Owner wishes to have such transfer directed.

Redemption Provisions

Optional Redemption. At the option of the City, Bonds may be called for redemption and payment, in whole or in part at any time on March 1, 2023 and thereafter at the redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the redemption date.

Selection of Bonds to be Redeemed. Bonds shall be redeemed only in the principal amount of \$5,000 or any integral multiple thereof. When less than all of the Outstanding Bonds are to be redeemed, such Bonds shall be redeemed from the Stated Maturities selected by the City, and Bonds of less than a full Stated Maturity shall be selected by the Paying Agent in \$5,000 units of principal amount by lot or in such other equitable manner as the Paying Agent may determine.

Notice and Effect of Call for Redemption. In the event of any such redemption, the Paying Agent will give written notice of the City's intention to redeem and pay said Bonds by first-class mail to the State Auditor of

Missouri, to the original purchaser of the Bonds, and to the Registered Owner of each Bond, said notice to be mailed not less than 20 days prior to the redemption date. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall become due and payable on the redemption date, at the redemption price therein specified, and from and after the redemption date (unless the City defaults in the payment of the redemption price) such Bonds or portion of Bonds shall cease to bear interest.

So long as DTC is effecting book-entry transfers of the Bonds, the Paying Agent shall provide the notices specified above to DTC. It is expected that DTC will, in turn, notify the DTC Participants and that the DTC Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of DTC or a DTC Participant, or failure on the part of a nominee of a Beneficial Owner of a Bond (having been mailed notice from the Paying Agent, a DTC Participant or otherwise) to notify the Beneficial Owner of the Bond so affected, shall not affect the validity of the redemption of such Bond.

Registration, Transfer and Exchange of Bonds

Each Bond when issued shall be registered by the Paying Agent in the name of the owner thereof on the Bond Register. Bonds are transferable only upon the Bond Register upon presentation and surrender of the Bonds, together with instructions for transfer. Bonds may be exchanged for Bonds in the same aggregate principal amount and maturity upon presentation to the Paying Agent, subject to the terms, conditions and limitations set forth in the Bond Ordinance and upon payment of any tax, fee or other governmental charge required to be paid with respect to any such registration, transfer or exchange.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General Obligations

The Bonds will constitute general obligations of the City and will be payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the City.

The Bond Ordinance

Pledge of Full Faith and Credit. The full faith, credit and resources of the City are irrevocably pledged under the Bond Ordinance for the prompt payment of the Bonds as the same become due.

Levy and Collection of Annual Tax. Under the Bond Ordinance, there is levied upon all of the taxable tangible property within the City a direct annual tax sufficient to produce the amounts necessary for the payment of the principal of and interest on the Bonds as the same become due and payable in each year. Such taxes shall be extended upon the tax rolls in each year, and shall be levied and collected at the same time and in the same manner as the other ad valorem taxes of the City are levied and collected. The proceeds derived from said taxes shall be deposited in the Debt Service Fund, shall be kept separate and apart from all other funds of the City and shall be used for the payment of the principal of and interest on the Bonds as and when the same become due and the fees and expenses of the Paying Agent.

All references herein to the Bond Ordinance are qualified in their entirety by reference to the Bond Ordinance. Copies of the Bond Ordinance and the Official Statement may be viewed at the office of Piper Jaffray & Co., 11635 Rosewood Street, Leawood, Kansas 66211, (913) 345-3373, or will be provided to any prospective purchaser requesting the same, upon payment by such prospective purchaser of the cost of complying with such request.

RISK FACTORS

The following is a discussion of certain risks that could affect the payments to be made by the City with respect to the Bonds. In order to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement (including its appendices) in order to

make a judgment as to whether the Bonds are an appropriate investment. Prospective purchasers of the Bonds should consider carefully all possible factors that may result in a default in the payment of the Bonds, a determination that the interest on the Bonds might be deemed taxable for purposes of federal and Missouri income taxation, or that may affect the market price or liquidity of the Bonds. **This discussion of risk factors is not, and is not intended to be, comprehensive or exhaustive.**

Ad Valorem Property Taxes

The Bond Ordinance levies a direct annual tax on all taxable tangible property within the City sufficient to produce amounts necessary for the payment of the principal of and interest on the Bonds each year. Declining property values in the City, whether caused by national or global financial crises, natural disasters, local economic downturns, or other reasons, may require higher levy rates, which may increase the burden on local taxpayers and affect certain taxpayers' willingness or ability to continue timely paying property taxes. See **"PROPERTY TAX – Property Assessment – History of Property Valuation"** in *Appendix A* of this Official Statement. In addition, the issuance of additional general obligation bonds by the City or by other political subdivisions in the City would increase the tax burden on taxpayers in the City. See **"CITY DEBT STRUCTURE – Overlapping Indebtedness"** in *Appendix A* of this Official Statement. Missouri law limits the amount of general obligation debt issuable by the City to 20% of the assessed valuation of taxable tangible property in the City. See **"CITY DEBT STRUCTURE – Authority to Incur Debt"** in *Appendix A* of this Official Statement. Other political subdivisions in or around the City are subject to similar limitations on general obligation debt imposed by Missouri law, including school districts, counties and certain other political subdivisions, which are limited to general obligation debt of 15%, 10% and 5% of assessed valuation of taxable tangible property, respectively.

Concentration of property ownership in the City would expose the City's ability to collect ad valorem property taxes to the financial strength and ability and willingness of major taxpayers to pay property taxes. In calendar year 2016, no single property owner owned more than 2% of the total taxable real property in the City. See **"PROPERTY TAX – Assessed Valuation – History of Property Valuation"** and **"PROPERTY TAX – Major Taxpayers"** in *Appendix A* of this Official Statement.

Secondary Market Prices and Liquidity

The Underwriter will not be obligated to repurchase any of the Bonds, and no representation is made concerning the existence of any secondary market for the Bonds. No assurance is given that any secondary market will develop following the completion of the offering of the Bonds and no assurance is given that the initial offering price for the Bonds will continue for any period of time.

Prices of municipal securities in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and changes in the operating performance or tax collection patterns of issuers. Particularly, prices of outstanding municipal securities should be expected to decline if prevailing market interest rates rise. Municipal securities are generally viewed as long-term investments, subject to material unforeseen changes in the investor's or the issuer's circumstances, and may require commitment of the investor's funds for an indefinite period of time, perhaps until maturity.

No Reserve Fund or Credit Enhancement

No debt service reserve fund will be funded and no financial guaranty insurance policy, letter of credit or other credit enhancement will be issued to ensure payment of the Bonds. Accordingly, any potential purchaser of the Bonds should consider the financial ability of the City to pay the Bonds. As described under **"SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – The Bond Ordinance"** in this Official Statement, the City has irrevocably pledged its full faith, credit and resources for the prompt payment of the Bonds and levied a direct annual tax, without limitation, sufficient to pay principal and interest on the Bonds on all taxable tangible property in the City.

Bankruptcy

In addition to the limitations on remedies contained in the Bond Ordinance, the rights and remedies provided by the Bonds may be limited by and are subject to (i) bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws affecting creditors' rights, (ii) the application of equitable principles, and (iii) the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against political subdivisions in the State of Missouri. Section 108.180 of the Revised Statutes of Missouri, as amended ("RSMo"), requires that any interest and sinking fund moneys only be used to pay principal and interest on the Bonds. The City, like all other Missouri political subdivisions, is specifically authorized by Missouri law to institute proceedings under Chapter 9 of the Federal Bankruptcy Code. Such proceedings, if commenced, are likely to have an adverse effect on the market price of the Bonds.

Pensions and Other Postemployment Benefits

The City contributes to an agent multiple-employer defined benefit pension plan on behalf of its employees. See **"THE CITY – GENERAL – Pension and Employee Retirement Plans"** in *Appendix A* of this Official Statement. Future required contribution increases beyond the current fiscal year may require the City to increase its revenues, reduce its expenditures, or some combination thereof, which may impact the City's operations or limit the City's ability to generate additional revenues in the future.

Amendment of the Bond Ordinance

Certain amendments, effected by ordinance of the City, to the Bonds and the Bond Ordinance may be made with consent of the owners of not less than a majority in principal amount of the Bonds then outstanding. Such amendments may adversely affect the security of the owners of the Bonds.

Tax-Exempt Status and Risk of Audit

The failure of the City to comply with certain covenants set forth in the Bond Ordinance could cause the interest on the Bonds to become included in gross income for federal and Missouri income tax purposes retroactive to the date of issuance of the Bonds. The Bond Ordinance does not provide for the payment of any additional interest, premium or penalty if the interest on the Bonds becomes included in gross income for federal income tax purposes. See **"TAX MATTERS"** in this Official Statement.

The Internal Revenue Service (the "IRS") has established an ongoing program to audit tax-exempt obligations to determine whether interest on such obligations should be included in gross income for federal income tax purposes. Owners of the Bonds are advised that, if an audit of the Bonds were commenced, the IRS, in accordance with its current published procedures, is likely to treat the City as the taxpayer, and the owners of the Bonds may not have a right to participate in such audit. Public awareness of any audit could adversely affect the market value and liquidity of the Bonds during the pendency of the audit, regardless of the ultimate outcome of the audit.

Defeasance Risks

When all Bonds are deemed paid and discharged as provided in the Bond Ordinance, the requirements contained in the Bond Ordinance and the pledge of the City's faith and credit thereunder and all other rights granted thereby will terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Bonds or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of the Bond Ordinance if there has been deposited with the Paying Agent, or other commercial bank or trust company moneys and/or Defeasance Obligations that, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the Bonds to the stated maturity date. There is no legal requirement in the Bond Ordinance that Defeasance Obligations be rated in the highest rating category by any rating agency. Prices of municipal securities in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets, and that could include the rating of Bonds defeased with Defeasance Obligations to the extent the Defeasance Obligations have a change or downgrade in rating.

THE BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial

Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal or redemption price of and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC. The City, the Financial Advisor, Bond Counsel and the Underwriter take no responsibility for the accuracy thereof.

Transfer Outside Book-Entry-Only System

If the Book-Entry Only System is discontinued the following provisions would apply. The Bonds are transferable only upon the Bond Register upon presentation and surrender of the Bonds, together with instructions for transfer. Bonds may be exchanged for other Bonds of any denomination authorized by the Bond Ordinance in the same aggregate principal amount, series, payment date and interest rate, upon presentation to the Paying Agent, subject to the terms, conditions and limitations and upon payment of any tax, fee or other governmental charge required to be paid with respect to any such registration, exchange or transfer.

LEGAL MATTERS

Legal Proceedings

As of the date hereof, there is no controversy, suit or other proceeding of any kind pending or threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way the legal organization of the City or its boundaries, or the right or title of any of its officers to their respective offices, or the legality of any official act in connection with the authorization, issuance and sale of the Bonds, or the constitutionality or validity of the Bonds or any of the proceedings had in relation to the authorization, issuance or sale thereof, or the levy and collection of a tax to pay the principal and interest thereof, or which might affect the City's ability to meet its obligations to pay the Bonds.

Approval of Legality

All legal matters incident to the authorization and issuance of the Bonds are subject to the approval of Gilmore & Bell, P.C., Kansas City, Missouri, Bond Counsel.

TAX MATTERS

The following is a summary of the material federal and State of Missouri income tax consequences of holding and disposing of the Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Missouri, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Bonds.

Opinion of Bond Counsel

In the opinion of Gilmore & Bell, P.C., Bond Counsel, under the law existing as of the issue date of the Bonds:

Federal and Missouri Tax Exemption. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is exempt from income taxation by the State of Missouri.

Alternative Minimum Tax. Interest on the Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations.

Bank Qualification. The Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

Bond Counsel's opinions are provided as of the date of the original issue of the Bonds, subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The City has covenanted to comply with all such requirements. Failure to comply with certain of

such requirements may cause the inclusion of interest on the Bonds in gross income for federal and State of Missouri income tax purposes retroactive to the date of issuance of the Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Bonds but has reviewed the discussion under the section herein captioned **“TAX MATTERS.”**

Other Tax Consequences

Original Issue Discount. For federal income tax purposes, original issue discount (“OID”) is the excess of the stated redemption price at maturity of a Bond over its issue price. The issue price of a Bond is the first price at which a substantial amount of the Bonds of that maturity have been sold (ignoring sales to bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers). Under Section 1288 of the Code, OID on tax-exempt bonds accrues on a compound basis. The amount of OID that accrues to an owner of a Bond during any accrual period generally equals (1) the issue price of that Bond, plus the amount of OID accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that Bond during that accrual period. The amount of OID accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner’s tax basis in that Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of OID.

Original Issue Premium. If a Bond is issued at a price that exceeds the stated redemption price at maturity of the Bond, the excess of the purchase price over the stated redemption price at maturity constitutes “premium” on that Bond. Under Section 171 of the Code, the purchaser of that Bond must amortize the premium over the term of the Bond using constant yield principles, based on the purchaser’s yield to maturity. As premium is amortized, the owner’s basis in the Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner. This will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on the sale or disposition of the Bond prior to its maturity. Even though the owner’s basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.

Sale, Exchange or Retirement of Bonds. Upon the sale, exchange or retirement (including redemption) of a Bond, an owner of the Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Bond (other than in respect of accrued and unpaid interest) and such owner’s adjusted tax basis in the Bond. To the extent a Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the Bonds, and to the proceeds paid on the sale of the Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner’s federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with “excess net passive income,” foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain

expenses allocable to the Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Bonds, including the possible application of state, local, foreign and other tax laws.

CONTINUING DISCLOSURE

The City is executing a Continuing Disclosure Certificate for the benefit of the owners and Beneficial Owners of the Bonds in order to comply with Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”). The City is the only “obligated person” with responsibility for continuing disclosure.

Pursuant to the Continuing Disclosure Certificate, the City will, not later than **the March 31** after the end of the City’s fiscal year, provide to the Municipal Securities Rulemaking Board (the “MSRB”) the following financial information and operating data (the “Annual Report”):

- (1) The audited financial statements of the City for the prior fiscal year. If audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in this Official Statement, and the audited financial statements will be filed in the same manner as the Annual Report promptly after they become available. The audited financial statements of the City are currently prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. If the City changes the format of its financial statements, (1) notice of such change shall be given in the same manner as for a Material Event, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.
- (2) Updates as of the end of the fiscal year of the financial information and operating data contained in ***Appendix A*** of this Official Statement under the following sections:

DEBT STRUCTURE OF THE CITY

Current Indebtedness of the City

Legal Debt Capacity

FINANCIAL INFORMATION CONCERNING THE CITY

Sources of Revenue

Retail Sales Taxes

Property Valuations

History of Property Valuation

Tax Rates – *The table showing tax levies*

Tax Collection Record

Pursuant to the Continuing Disclosure Certificate, the City also will give notice of the occurrence of any of the following events with respect to the Bonds, no later than 10 business days after the occurrence of such event (“Material Events”):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other

- material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to rights of bondholders, if material;
 - (8) bond calls, if material, and tender offers;
 - (9) defeasances;
 - (10) release, substitution or sale of property securing repayment of the Bonds, if material;
 - (11) rating changes;
 - (12) bankruptcy, insolvency, receivership or similar event of the City;
 - (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
 - (14) appointment of a successor or additional trustee or the change of name of the trustee, if material.

Notwithstanding any other provision of the Continuing Disclosure Certificate, the City may amend the Continuing Disclosure Certificate and any provision of the Continuing Disclosure Certificate may be waived, provided Bond Counsel or other counsel experienced in federal securities law matters provides the City with its opinion that the undertaking of the City, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to the Continuing Disclosure Certificate.

In the event of a failure of the City to comply with any provision of the Continuing Disclosure Certificate, the Paying Agent, the Underwriter or any owner or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with its obligations under the Continuing Disclosure Certificate. A default under the Continuing Disclosure Certificate will not be deemed an event of default under the Bond Ordinance or the Bonds, and the sole remedy under the Continuing Disclosure Certificate in the event of any failure of the City to comply with the Continuing Disclosure Certificate will be an action to compel performance.

The City has engaged in undertakings similar to the Continuing Disclosure Certificate with respect to certain prior obligations of the City, to provide to the national information repositories (presently, only the MSRB) the City's audited financial statements and certain operating data. The City has been timely in filing in material respects its audited financial statements and operating data updates in each of the last five years (September 30, 2012 through September 30, 2016). Over the last five years, the City has not timely filed notices of certain material events related to rating changes of bonds and other obligations of the City. In order to promote compliance with the City's obligations under the Continuing Disclosure Certificate and the City's prior undertakings with respect to the content of Annual Reports, the City engaged the law firm of Gilmore & Bell, P.C. to provide filing reminders and to assist the City in determining the required content of the Annual Reports and in submitting such Annual Reports to the MSRB via EMMA.

Electronic Municipal Market Access System (EMMA)

All Annual Reports and notices of Material Events required to be filed by the City pursuant to the Continuing Disclosure Certificate must be submitted to the MSRB through the MSRB's Electronic Municipal Market Access system ("EMMA"). EMMA is an internet-based, online portal for free investor access to municipal bond information, including offering documents, material event notices, real-time municipal securities trade prices and MSRB education resources, available at www.emma.msrb.org. Nothing contained on EMMA relating to the City or the Bonds is incorporated by reference in this Official Statement.

RATING

Standard & Poor's Ratings Services is expected to give the Bonds a rating of "AA-," which reflects said rating agency's evaluation of the investment quality of the Bonds. Such rating reflects only the view of said rating agency, and an explanation of the significance of such rating may be obtained therefrom. There is no assurance that the rating will remain in effect for any given period of time or that it will not be revised, either downward or upward, or withdrawn entirely, by said rating agency if, in its judgment, circumstances warrant. Any such downward revisions or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

The City has furnished the rating agency with certain information and materials relating to the Bonds and the City that have not been included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions made by the rating agencies. There is no assurance that a particular rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the rating agency originally establishing such rating, circumstances so warrant. The Underwriter has not undertaken any responsibility to bring to the attention of the holders of the Bonds any proposed revision or withdrawal of the ratings of the Bonds or to oppose any such proposed revision or withdrawal. Pursuant to the Continuing Disclosure Certificate, the City is required to bring to the attention of the holders of the Bonds any revision or withdrawal of the ratings of the Bonds but has not undertaken any responsibility to oppose any such revision or withdrawal. See the section herein captioned **"CONTINUING DISCLOSURE."** Any such revision or withdrawal of the ratings could have an adverse effect on the market price and marketability of the Bonds.

MISCELLANEOUS

Financial Advisor

Piper Jaffray & Co. (the "Financial Advisor") has acted as Financial Advisor to the City in connection with the sale of the Bonds. The Financial Advisor has assisted the City in matters relating to the planning, structuring and issuance of the Bonds and various other debt related matters. The Financial Advisor will not be a manager or a member of any purchasing group submitting a proposal for the purchase of the Bonds.

Underwriting

Based upon bids received by the City on January 22, 2018 pursuant to the Notice of Sale dated January 10, 2018, the Bonds were awarded to Robert W. Baird & Co., Inc. (the "Underwriter"). The Bonds are being purchased for reoffering by the Underwriter. The Underwriter has agreed to purchase the Bonds from the City at a price equal to \$2,491,211.51 (representing the par amount of the Bonds less an underwriter's discount of \$18,620.64 and plus net original issue premium of \$119,832.15). The Underwriter is purchasing the Bonds from the City for resale in the normal course of the Underwriter's business activities. The Underwriter may sell certain of the Bonds at a price greater than such purchase price, as shown on the inside cover page of this Official Statement. The Underwriter reserves the right to offer any of the Bonds to one or more purchasers on such terms and conditions and at such price or prices as the Underwriter, in its discretion, shall determine. The Underwriter reserves the right to join with dealers and other purchasers in offering the Bonds to the public. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) at prices lower than the public offering prices.

Certification and Other Matters Regarding Official Statement

Information set forth in this Official Statement has been furnished or reviewed by certain officials of the City, certified public accountants, and other sources, as referred to herein, which are believed to be reliable. Any statements made in this Official Statement involving matters of opinion, estimates or projections, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or projections will be realized. The descriptions contained in this Official Statement of the Bonds and the Bond Ordinance do not purport to be complete and are qualified in their entirety by reference thereto.

Simultaneously with the delivery of the Bonds, the Mayor of the City, acting on behalf of the City, will furnish to the Underwriter a certificate which shall state, among other things, that to the best knowledge and belief of such officer, this Official Statement (and any amendment or supplement hereto) as of the date of sale and as of the date of delivery of the Bonds does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements herein, in light of the circumstances under which they were made, not misleading in any material respect.

The form of this Official Statement, and its distribution and use by the Underwriter, has been approved by the City. Neither the City nor any of its officers, directors or employees, in either their official or personal capacities, has made any warranties, representations or guarantees regarding the financial condition of the City or the City's ability to make payments required of it; and further, neither the City nor its officers, directors or employees assumes any duties, responsibilities or obligations in relation to the issuance of the Bonds other than those either expressly or by fair implication imposed on the City by the Bond Ordinance.

CITY OF MARYVILLE, MISSOURI

By: /s/Jason McDowell.
Mayor

APPENDIX A

THE CITY

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THE CITY

Location and Size

The City encompasses approximately 6.2 square miles and is located in Nodaway County, Missouri (“Nodaway County”), approximately 95 miles north of Kansas City, Missouri. The City has a current estimated population of 11,997 according to an estimated 2015 census.

Government and Organization

Maryville is a city of the third class and political subdivision of the State of Missouri, organized and existing under the constitution and laws of the State of Missouri. The City is governed by a Council - Manager form of government and exercises powers of municipal government specifically granted by the State of Missouri. The City is governed by a City Council composed of five members who are elected at large for staggered three-year terms without restriction as to reelection. The Mayor is elected by the City Council from among the Council Members for a one-year term without restriction as to reelection. The Mayor presides over meetings of the City Council.

The current members of the City Council of the City are:

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Jason McDowell	Mayor	4/18
Rachael Martin	Mayor Pro Tem	4/20
Renee Riedel	Council Member	4/19
Benjamin Lipiec	Council Member	4/20
Jerry Riggs	Council Member	4/18
Greg McDanel	City Manager	
Ryan Heiland	Assistant City Manager	
Denise Town	Treasurer/Finance Director	
Sheila Smail	City Clerk	

The City Council establishes utility and tax rates and authorizes all municipal indebtedness. The City Council appoints a City Manager who acts as the chief administrative officer of the City and serves at the pleasure of the City Council. The City Manager is responsible to the City Council for administration of City policy, preparation of the annual budget, appointment of City employees and supervision of the City’s operating departments. The City’s budget, prepared by the City Manager after consultation with each department, is reviewed and adopted by the City Council. Tax rates are established by the City Council to support the budget adopted. As required by state law, the aggregate City budget may not include any expenditures in excess of anticipated revenues. The City’s fiscal year ends on September 30.

Utilities and Services

The City provides water and wastewater treatment to its residents. Kansas City Power & Light provides electricity and Empire District Gas Company provides natural gas to residents of the City. There is one daily newspaper, one weekly newspaper, two radio stations and a cable television company located in the City. Telephone service is provided by CenturyLink.

Northwest Missouri Regional Airport is located two miles west of the City on 175 acres and is used for general aviation with no commercial airlines. Airport services include a 4,600-foot concrete runway, fuel, maintenance, a terminal building and several hangars.

Medical and Health Facilities

Health care services available to the residents of the City include a hospital, three medical clinics, thirty-one physicians, six dentists, six chiropractors, four optometrists and five nursing homes.

SSM Health St. Francis Hospital, a non-profit facility affiliated with SSM Health, a Catholic not-for-profit health system that includes 20 hospital and health services in Missouri, Illinois, Oklahoma and Wisconsin, provides comprehensive medical care to the people of Northwest Missouri. The hospital is an 81-bed full-service fully-accredited health care organization.

Ambulance services are provided by Nodaway County Ambulance District.

Recreational, Cultural and Religious Facilities

Recreational facilities include an aquatic center, a country club, eleven public parks, and a bowling alley. In addition, the City offers a variety of activities and programs such as arts and crafts, tennis, softball, swimming, volleyball, basketball and playgrounds. A benefit of having Northwest Missouri State University, a state university, in the City is the availability of participation in its academic, athletic and cultural events including musicals, symphonies, rock and country concerts and lectures. Each year the City hosts the Nodaway County Fair featuring regional arts and crafts.

Mozingo Lake Park is a 3,000-acre facility which includes 26 miles of shoreline surrounding a 1,000-acre lake, providing numerous opportunities for fishing, boating, and water sports as well as camping and hiking, plus an 18-hole public championship golf course.

Conception Abbey, one of only 33 basilicas in the nation, is located near the City. Built in 1892, the Basilica boasts Romanesque architecture and original European artwork and scribes dating back to the sixth century. The building covers more than 47,000 square feet and is open to the public.

There are many churches of various denominations which meet the spiritual needs of the City's residents, and serve the role of helping those less fortunate.

Educational Institutions and Facilities

Northwest Missouri State University (the "University") has been a part of the Maryville community since 1905. Approximately 5,474 undergraduate students are currently enrolled at the University. The University offers seven baccalaureate degrees, five master's degrees and the specialist in education degree with three areas of emphasis. The University is composed of three colleges and schools which include the College of Arts and Sciences, Business & Professional Studies and Education & Human Services, and the graduate school program.

Northwest Technical School is one of the leading vocational technical schools in Missouri with more than 275 students served during the day and 800 individuals per semester attending evening classes. The Vo-Tech school offers training in agriculture, auto body, auto mechanics, building trades, business and office skills, computer skills, electronics, occupational foods, health occupations, marketing and distributive education, welding, machine shop and licensed practical nursing. In addition, the school conducts customized training programs to meet the special needs of area industries.

Elementary and Secondary Schools

The Maryville R-II School District is classified as "Accredited," the highest rating given by the Missouri School Improvement Program administered by the Missouri Department of Elementary and Secondary Education. The school system provides a comprehensive academic program and diverse curricular activities to approximately 1,500 students and includes an elementary school, a middle school, a high school, a technical school and a special education cooperative.

Economy

Maryville is in the middle of an agriculture center. Approximately 390,000 acres of a total of approximately 540,000 acres in Nodaway County are used for agricultural purposes. Nodaway County ranks in the top five counties in the State of Missouri for number of beef cattle, hogs and pigs and yield per acre for soybeans and corn.

Northwest Missouri State University (the “University”) is a key economic driver of the Maryville community. The University employs 700 individuals, and it continues to be a top employer in the area. In an election held on November 8, 2016, the qualified voters in the City authorized a sales tax on all sleeping rooms paid by transient guests of hotels and motels within the City to, in part, provide funds to the University to construct an approximately 137,250 square-foot multipurpose complex on the University’s campus consisting of recreation and exhibition space, a 100-yard practice turf, a 300-meter indoor competition track and tiered meeting rooms. In exchange for the City’s contribution, the University will grant the City access to use this complex for the enhancement of economic development and tourism within the City through a variety of special events, trade shows, exhibitions, fundraisers and athletic events.

Other industries represented in the Maryville community include steel products, wholesale fertilizer, lawn and wild flower seed, small engines, forged and rebuilt auto parts, metal culverts, business forms, printing, auto and truck chains, weather vanes, and health care.

ECONOMIC INFORMATION CONCERNING THE CITY

Commerce and Industry

Some major employers in Maryville, Missouri, include:

	<u>Name</u>	<u>Type</u>	<u>Employees</u>
1.	Kawasaki Motors Mfg. Corp.	Small Engines	750
2.	Northwest Missouri State University	Education	700
3.	SSM Health St. Francis Hospital	Health Care	499
4.	Focus	Staffing	350
5.	Maryville R-II School District	Education	250
6.	Wal-Mart Superstore	Retail	240
7.	Maryville Treatment Center	Health Care	200
8.	Federal Mogul	Automotive Parts	200
9.	Hy-Vee Food Store	Grocery	195
10.	NUCOR-LMP	Metal Fabrication	150

Source: City of Maryville, September 30, 2016 Comprehensive Annual Financial Report (“CAFR”).

General and Demographic Information

The following table sets forth certain population information.

	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2010</u>
City of Maryville	9,558	10,663	10,830	11,972
Nodaway County	21,996	21,709	22,120	23,370
State of Missouri	4,923,000	5,117,000	5,878,415	5,988,927

Source: U.S. Census Bureau, Census 2010.

Population Distribution by Age (2015 Estimate)

<u>Age</u>	<u>City of Maryville</u>	<u>Nodaway County</u>	<u>State of Missouri</u>
Under 5	471	1,069	376,772
5-19 years	2,843	5,070	1,187,202
20-44 years	5,442	9,077	1,959,178
45-64 years	1,815	4,772	1,617,695
65 years and older	<u>1,426</u>	<u>3,198</u>	<u>904,601</u>
Total	<u>11,997</u>	<u>23,186</u>	<u>6,045,448</u>
Median Age	22.9	28.3	38.2

Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates.

Employment

The following table sets forth unemployment figures for the last four years and the current year for Nodaway County and the State of Missouri.

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017*</u>
<i>Nodaway County</i>					
Total Labor Force	12,219	11,637	11,136	11,026	10,580
Unemployed	721	758	549	511	451
Unemployment Rate	5.9%	6.5%	4.9%	4.6%	4.3%
<i>State of Missouri</i>					
Total Labor Force	3,000,135	3,058,118	3,113,760	3,111,517	3,072,253
Unemployed	209,034	186,901	155,584	140,815	128,397
Unemployment Rate	6.9%	6.1%	5.0%	4.5%	4.2%

Source: Missouri Department of Labor and Industrial Relations. *Average, January through August 2017.

Income Statistics

The following table sets forth 2015 estimated income statistics for the City, Nodaway County and the State of Missouri:

	<u>Per Capita</u>	<u>Median Family</u>
City	\$15,219	\$44,562
Nodaway County	18,307	52,536
State of Missouri	26,259	60,809

Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates.

Housing

The median value of owner-occupied housing units in the area of the City and related areas were as follows:

	<u>Median Value</u>
City	\$129,700
Nodaway County	114,500
State of Missouri	138,400

Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates.

Building Construction

The following table indicates the number of building permits issued within the City over a five-year period. These numbers reflect all permits issued for new construction or renovation.

<u>Year</u>	<u>Number of Permits Issued</u>		
	<u>Residential</u>	<u>Non-Residential</u>	<u>Total</u>
2017	49	37	86
2016	43	13	56
2015	47	24	71
2014	50	10	60
2013	59	19	78

Source: City of Maryville, September 30, 2016 Comprehensive Annual Financial Report ("CAFR"), and City records for 2017.

DEBT STRUCTURE OF THE CITY

Current Indebtedness of the City

The following table sets forth as of October 1, 2017 all of the outstanding general obligation indebtedness of the City.

<u>Name of Issue</u>	<u>Issue Date</u>	<u>Principal Amount</u>	<u>Amount Outstanding</u>
General Obligation Refunding and Improvement Bonds, Series 2009	4/21/2009	\$4,220,000	\$2,715,000

History of General Obligation Indebtedness

The following table sets forth debt information pertaining to the City as of the end of each of the last five fiscal years:

<u>As of September 30</u>	<u>Total Outstanding Debt</u>	<u>Debt as Percentage of Assessed Value</u>
2017	\$2,715,000	2.05%
2016	2,945,000	2.19
2015	3,155,000	2.45
2014	3,380,000	2.62
2013	3,600,000	2.82

Debt Summary

(as of 10/1/2017)	2017 Assessed Valuation:	\$135,562,170 ⁽¹⁾
	2017 Estimated Actual Valuation:	\$566,374,329
	Estimated Population	11,997
	Total Outstanding General Obligation Debt ⁽²⁾ :	\$2,660,000
	Overlapping Debt ⁽³⁾ :	\$12,308,400
	Direct and Overlapping General Obligation Debt:	\$14,968,400
	Ratio of General Obligation Debt to Assessed Valuation:	1.96%
	Ratio of General Obligation Debt to Estimated Actual Valuation:	0.47%
	Per Capita General Obligation Debt:	\$221.72
	Ratio of Direct and Overlapping Debt to Assessed Valuation:	11.04%
	Ratio of Direct and Overlapping Debt to Estimated Actual Valuation:	2.64%
	Per Capita Direct and Overlapping Debt:	\$1,247.68

⁽¹⁾ Includes real and personal property valuations as provided by the Nodaway County Clerk. See "Financing Information Concerning the City – Current Assessed Valuation."

⁽²⁾ Includes the Bonds but excludes the Refunded Bonds.

⁽³⁾ Includes general obligation debt of political subdivisions with boundaries overlapping the City. See "Debt Structure of the City - Overlapping Indebtedness."

Overlapping Indebtedness

The following table sets forth the approximate overlapping indebtedness (including general obligation bonds) of political subdivisions with boundaries overlapping the City as of December 1, 2017, and the percent attributable (on the basis of current assessed valuation) to the City.

<u>Taxing Jurisdiction</u>	<u>Outstanding General Obligation Indebtedness</u>	<u>Percent Applicable to City</u>	<u>Amount Applicable to City</u>
Maryville R-II School District	\$17,095,000	72.0%	\$12,308,400

Legal Debt Capacity

Article VI, Sections 26(b) and (c) of the Constitution of the State of Missouri limit the net outstanding amount of authorized general obligation indebtedness for a city to 10 percent of the assessed valuation of the city by a two-thirds (four-sevenths at certain elections) vote of the qualified voters. Article VI, Section 26(d) provides that a city may, by a two-thirds (four-sevenths at certain elections) vote of the qualified voters, incur indebtedness in an amount not to exceed an additional 10 percent for the purpose of acquiring rights-of-way, construction, extending and improving streets and avenues, and sanitary or storm sewer systems, provided the total general obligation indebtedness of a city does not exceed 20 percent of the assessed valuation. Article VI, Section 26(e) provides that a city may, by a two-thirds (four-sevenths at certain elections) vote of the qualified voters, incur indebtedness in an amount not exceeding an additional 10 percent for the purpose of purchasing or constructing waterworks, electric or other light plans to be owned exclusively by the city, provided that the total general obligation indebtedness of a city does not exceed 20 percent of the assessed valuation. The legal debt margin of the City for an election to be held in 2018 is:

Constitutional Debt Limit	
(20% of assessed valuation)	\$27,112,434 ⁽¹⁾
Indebtedness Outstanding	<u>2,660,000</u>
LEGAL DEBT MARGIN	<u>\$24,452,434</u>

⁽¹⁾ Includes assessed valuation in the amount of \$1,563,380 attributable to the incremental increase in assessed valuation over the established assessed valuation base within Redevelopment Areas located within the City.

Other Obligations

The City also issues obligations where the City pledges income derived from the acquired or constructed assets or other specific sources to pay debt service and enters into capital leases to finance the acquisition or improvement of City property or property in the City. Obligations outstanding as of October 1, 2017 are as follows:

<u>Purpose</u>	<u>Principal Outstanding</u>
Certificates of Participation, Series 2017	\$7,580,000
Combined Waterworks and Sewerage System Revenue Bonds Series 2013	13,060,000
Certificates of Participation, Series 2013	870,000
Certificates of Participation, Series 2010	2,145,000
Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2009	400,000
Tax Increment Revenue Bonds, Series 2015	1,310,000
Notes and Capital Leases	<u>724,045</u>
Total	<u>\$26,089,045</u>

Defaults on City Indebtedness

The City has never defaulted on the payment of any of its debt obligations.

Estimated Bond Year Debt Service Payments Including the Bonds and Excluding the Refunded Bonds

<u>Year</u>	<u>Series 2009</u>		<u>Series 2018</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2018	\$ 270,000	\$ 6,075	\$ -	\$ -	\$ 276,075.00
2019	-	-	265,000	95,481.81	360,481.81
2020	-	-	295,000	78,168.76	373,168.76
2021	-	-	310,000	63,418.76	373,418.76
2022	-	-	345,000	47,918.76	392,918.76
2023	-	-	140,000	30,668.76	170,668.76
2024	-	-	155,000	23,668.76	178,668.76
2025	-	-	160,000	20,568.76	180,568.76
2026	-	-	165,000	17,368.76	182,368.76
2027	-	-	175,000	13,656.26	188,656.26
2028	-	-	190,000	9,500.00	199,500.00
2029	-	-	190,000	4,750.00	194,750.00

FINANCIAL INFORMATION CONCERNING THE CITY

Accounting, Budgeting and Auditing Procedures

The City currently produces financial statements that are in conformity with accounting principles generally accepted in the United States of America. The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses as appropriate.

An annual budget is prepared under the direction of the City Manager and submitted to the City Council for consideration prior to the fiscal year commencing on October 1. The operating budget includes proposed expenditures and revenue sources. Public hearings are conducted to obtain taxpayer comments. The budget is legally enacted through the adoption of an ordinance. The primary basis of budgetary control is at the fund level. Budgeted amounts are as originally adopted or as amended by the City Council if total fund expenditures are expected to exceed the original budget. The adopted and any revised budget must conform to the statutory definition of a balanced budget, where the available fund reserves plus estimated revenues equal or are greater than estimated appropriations. Once the budget has been approved, it becomes the responsibility of the City Manager and the Finance Director to monitor and report on the financial activity of the organization and condition of the annual budget. Ultimate budgetary responsibility is maintained at the department level. As allowed by the City Manager, requests for supplemental appropriations or changes to budgeted expenditures will be considered and are also subject to the approval of the City Council. Formal budgetary integration is employed as a management control device during the year for all funds. Budgets for all funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

The financial records of the City are audited annually by a firm of independent certified public accountants in accordance with generally accepted governmental auditing standards. The annual audit for the fiscal year ending September 30, 2016 was performed by Hochschild, Bloom & Company LLP, Certified Public Accountants, Chesterfield, Missouri. Copies of the audit reports for the past 5 years are on file in the City Clerk's Office and are available for review at www.maryville.org. The Comprehensive Annual Financial Report of the City is included in **Appendix B** attached hereto.

Sources of Revenue

The City finances its general operations through the following taxes and other miscellaneous sources as indicated below for the last fiscal year for which audited financial statements are available:

<u>Source</u>	<u>Amount</u>	<u>Percent</u>
Taxes	\$6,469,765	69.96%
Licenses, Permits & Fees	70,560	0.76
Intergovernmental Revenues	1,679,836	18.16
Charge for Services	589,179	6.37
Fines & Forfeitures	257,116	2.78
Interest	8,219	0.09
Other Revenue	<u>174,127</u>	<u>1.88</u>
	<u>\$9,248,802</u>	<u>100.00%</u>

Source: City of Maryville, Missouri Annual Financial Report, September 30, 2016.

Retail Sales Taxes

The following table shows collections of sales taxes for the City during the last five fiscal years:

<u>Fiscal Year</u>	<u>1% General</u>	<u>1/8% Parks</u>	<u>1/8% Parks</u>	<u>1/2% Capital</u>	<u>1/2% Mozingo⁽¹⁾</u>	<u>1/8% Mozingo⁽²⁾</u>
2017	\$1,948,827	\$234,204	\$234,204	\$936,805	\$968,274	\$224,149
2016	1,940,921	232,971	232,992	932,289	970,447	-
2015	1,902,061	227,818	227,818	911,155	951,025	-
2014	1,850,867	221,556	221,556	884,269	925,381	-
2013	1,784,655	213,249	213,249	852,444	892,287	-

⁽¹⁾ This sales tax was applied to domestic utilities, which accounts for the discrepancies in the amounts collected for this sales tax and the 1/2% sales tax for capital improvements. This sales tax will continue to be imposed until December 31, 2037, but is no longer applied to domestic utilities.

⁽²⁾ This sales tax was passed by a majority of qualified voters of the City at an election held on April 5, 2016 and went into effect on October 1, 2016, and will expire on December 31, 2036.

Source: City.

The City currently collects three 1/8% sales taxes for park purposes. One of the sales taxes for park purposes has no expiration date, one park sales tax is expected to expire on March 31, 2021, and one park sales tax is expected to expire on December 31, 2036.

The City has imposed a sales tax that is used to fund capital improvements and another sale tax to fund improvements and operations at Mozingo Lake Recreation Park. The sales tax for improvements and operation costs at Mozingo Lake was continued at an election in April 2016 with a sunset provision on December 31, 2037. The sales tax for capital improvement purposes was extended at an election in April 2017 with a sunset provision on September 30, 2038.

Tax Increment Financing

The City has created tax increment financing districts within the City to reimburse redevelopment project costs to assist in the developments. These costs are payable solely from moneys on deposit in a "special allocation fund." The moneys deposited into the special allocation fund may consist of (a) certain payments in lieu of taxes, attributable to the increase in assessed valuation of the real property within the districts as a result of development, and (b) fifty percent of the total additional revenue from taxes (including the sales taxes of the City but excluding certain other taxes) of local taxing districts which are generated by economic activities within the districts over the amount of such taxes generated by economic activities within the year in the calendar year in which the districts were created. As a result, the payments in lieu of taxes attributable to the increase in assessed valuation of the real property within the districts and up to fifty percent (50%) of the additional revenues generated by the sales taxes within such districts over the amount so generated in the year in which such districts were created may not be available to the City but instead might be deposited into the special allocation fund and used to pay redevelopment project costs related to the development. The City does not expect that the amount of such payments in lieu of taxes or sales taxes paid into special allocation funds from these projects will materially affect its ability to pay the Bonds.

Property Valuations

Assessment Procedure:

All taxable real and personal property within the City is assessed annually by the County Assessor. Missouri law requires that real property be assessed at the following percentages of true value:

Residential real property	19%
Agricultural and horticultural real property	12%
Utility, industrial, commercial, railroad and all other real property	32%

A general reassessment of real property occurred statewide in 1985. In order to maintain equalized assessed valuations following this reassessment, the Missouri General Assembly adopted a maintenance law in 1986. Beginning January 1, 1987, and every odd-numbered year thereafter, each County Assessor must adjust the assessed valuation of all real property located within his or her county in accordance with a two-year assessment and equalization maintenance plan approved by the State Tax Commission.

The assessment ratio for personal property is generally 33-1/3% of true value. However, subclasses of tangible personal property are assessed at the following assessment percentages: grain and other agricultural crops in an unmanufactured condition, 1/2%; livestock, 12%; farm machinery, 12%; historic motor vehicles, 5%; and poultry, 12%.

The County Assessor is responsible for preparing the tax roll each year and for submitting the tax roll to the Board of Equalization. The County Board of Equalization has the authority to adjust and equalize the values of individual properties appearing on the tax rolls.

Current Assessed Valuation:

The following table shows the total assessed valuation, by category, of all taxable tangible property situated in the City according to the assessment of **2017** (the last completed assessment):

	<u>Assessed Valuation</u>	<u>Assessment Rate</u>	<u>Estimated Actual Valuation</u>
Real Estate:			
Residential	\$68,637,020	19%	\$361,247,473
Commercial	33,149,389	32	103,591,840
Agricultural	<u>38,950</u>	12	<u>324,583</u>
Sub-Total	101,825,359		465,163,896
Personal Property	<u>33,736,811</u>	33 1/3% *	<u>101,210,433</u>
Total	<u>\$135,562,170</u>		<u>\$566,374,329</u>

* Assumes all personal property is assessed at 33 1/3%; because certain subclasses of tangible personal property are assessed at less than 33 1/3%, the estimated actual valuation for personal property would likely be greater than that shown above. See "Assessment Procedure" discussed above.

History of Property Valuation:

The total assessed valuation of all taxable tangible property situated in the City, including state assessed railroad and utility property, according to the assessments of January 1 in each of the following years, has been as follows:

<u>Year</u>	<u>Assessed Valuation</u>	<u>Percent Change</u>
2017	\$135,562,170	1.41%
2016	133,682,037	(1.95)
2015	136,344,095	5.75
2014	128,932,126	(0.18)
2013	129,165,575	1.17
2012	127,674,372	3.23

Property Tax Levies and Collections

Tax Collection Procedure:

Property taxes are levied and collected by the City. The City is required by law to prepare an annual budget, which includes an estimate of the amount of revenues to be received from all sources for the budget year, including an estimate of the amount of money required to be raised from property taxes and the tax levy rates required to produce such amounts. The budget must also include proposed expenditures and must state the amount required for the payment of interest, amortization and redemption charges on the City's debt for the ensuing budget year. Such estimates are based on the assessed valuation figures provided by the County Clerk. The City must fix its ad valorem property tax rates and certify them to the County Clerk not later than September first for entry in the tax books.

The County Clerk receives the county tax books from the County Assessor, which set forth the assessments of real and personal property. The County Clerk enters the tax rates certified to him by the local taxing bodies in the tax books and assesses such rates against all taxable property in the City as shown in such books. The County Clerk forwards the tax books by October 31 to the County Collector, who is charged with levying and collecting taxes as shown therein. The County Collector extends the taxes on the tax rolls and issues the tax statements in early December. Taxes are due by December 31 and become delinquent if not paid to the County Collector by that time. All tracts of land and city lots on which delinquent taxes are due are charged with a penalty of eighteen percent of each year's delinquency. All lands and lots on which taxes are delinquent and unpaid are subject to sale at public auction in August of each year.

The County Collector is required to make disbursements of collected taxes to the City each month. Because of the tax collection procedure described above, the City receives the bulk of its moneys from local property taxes in the months of December, January and February.

Tax Rates

Debt Service Levy. The current debt service levy of the City is \$0.0978 per \$100 of assessed valuation. Once indebtedness has been approved by the constitutionally required percentage of the voters voting therefor and bonds are issued, the City is required under Article VI, Section 26(f) of the Missouri Constitution to levy an annual tax on all taxable tangible property therein sufficient to pay the interest and principal of the indebtedness as they fall due and to retire the same within 20 years from the date of issue. The City Council may set the tax rate for debt service, without limitation as to rate or amount, at the level required to make such payments.

Operating Levy. The current general fund levy of the City is \$0.3556 per \$100 of assessed valuation. The general fund and park fund levy cannot exceed the "tax rate ceiling" for the current year without voter approval. The tax rate ceiling, determined annually, is the rate of levy which, when charged against the newly assessed valuation of the City for the current year, excluding new construction and improvements, will produce an amount of tax revenues equal to tax revenues for the previous year increased by 5% or the Consumer Price Index, whichever is lower. Without the required percentage of voter approval, the tax rate ceiling cannot at any time exceed the

greater of the tax rate in effect in 1980 or the most recent voter-approved tax rate. The tax levy for debt service on the City's general obligation bonds is exempt from the calculations of and limitations upon the tax rate ceiling. Under Article X, Section 11(c) of the Missouri Constitution, any increase in the City's general fund or park fund levy above \$1.00 must be approved by two-thirds of the voters voting on the proposition. The current tax rate ceiling for the general fund is \$0.3556 per \$100 of assessed valuation.

The following table shows the City's tax levies (per \$100 of assessed valuation) for the current fiscal year and each of the last five years:

<u>Fiscal Year Ended September 30</u>	<u>General Fund</u>	<u>Park & Rec Fund</u>	<u>Debt Service</u>	<u>Total Levy</u>
2018	\$0.3556	\$0.4085	\$0.0978	\$0.8619
2017	0.3556	0.4085	0.1290	0.8931
2016	0.3415	0.4036	0.1352	0.8803
2015	0.3412	0.3000	0.1378	0.7790
2014	0.3383	0.3000	0.1294	0.7677
2013	0.3383	0.3000	0.1294	0.7677

Tax Collection Record

The following table sets forth tax collection information for the City for the last five fiscal years for which audited financial statements are available.

<u>Year Ended September 30</u>	<u>Total Levy</u>	<u>Taxes Levied</u>	<u>Current and Delinquent Taxes Collected</u>	
			<u>Amount</u>	<u>%</u>
2016	\$0.8803	\$1,186,475	\$1,172,309	98.81%
2015	0.7790	1,004,381	994,444	99.01
2014	0.7677	991,604	985,355	99.37
2013	0.7677	980,156	972,359	99.20
2012	0.7677	949,471	939,202	98.92

Major Property Taxpayers

The following table sets forth the ten largest real property taxpayers in the City based upon assessed valuation of **2016**.

	<u>Name of Taxpayer</u>	<u>Local Assessed Valuation</u>	<u>Percentage of Total Local Assessed Valuation</u>
1.	L&L Holdings LLC	\$2,512,680	1.90%
2.	Wal-Mart	2,494,200	1.89
3.	Daniels Childrens Investments LLC	1,470,290	0.73
4.	Federal Mogul Vehicle Component	971,140	0.75
5.	Maryville Missouri Assisted Living Prop Inv	778,840	0.59
6.	Deluxe Manufacturing	743,140	0.56
7.	Nucor-LMP Inc.	714,650	0.54
8.	Inland Realty	602,580	0.46
9.	Krzyzostaniok, Dorothy	572,320	0.43
10.	Snyder & Snyder LLC	502,850	0.38

Source: Nodaway County Assessor's Office.

Pension and Employee Retirement Plans

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 was created and is governed by state statute, and is a defined-benefit pension plan that provides retirement, disability and death benefits. The plan is qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended, and is tax-exempt. LAGERS is governed by a seven-member Board of Trustees ("**LAGERS' Board**") consisting of three trustees elected by participating employees, three trustees elected by participating employers and one trustee appointed by the Missouri Governor.

LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. The LAGERS Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016 (the "**2016 LAGERS CAFR**") is available at <http://www.molagers.org/financial.html>. The link to the 2016 LAGERS CAFR is provided for general background information only, and the information in the 2016 LAGERS CAFR is not incorporated by reference into this Official Statement. The 2016 LAGERS CAFR provides detailed information about LAGERS, including its financial position, investment policy and performance information, actuarial information and assumptions affecting plan design and policies, and certain statistical information about the plan.

For information specific to the City's participation in LAGERS, including the City's past contributions, net pension liability, and pension expense, see Note 11 to the City's financial statements included in Appendix B to this Official Statement. For additional information regarding LAGERS, see the 2016 LAGERS CAFR.

APPENDIX B

ACCOUNTANTS' REPORT AND AUDITED FINANCIAL STATEMENTS



CITY OF MARYVILLE, MISSOURI

Comprehensive Annual Financial Report

For the Year Ended September 30, 2016

CITY OF MARYVILLE, MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2016



Report issued by the Department of Finance

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Introductory Section

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City of Maryville, Missouri

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Voice: (660)-562-8001

Fax: (660)-562-3895

www.maryville.org

February 9, 2017

Honorable Mayor, Members of the City Council, and
Citizens of the City of Maryville, Missouri:

It is our pleasure to formally submit the Comprehensive Annual Financial Report (CAFR) of the City of Maryville, Missouri (the City), for the fiscal year ended September 30, 2016. This report was prepared by the Finance Department, and the responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Hochschild, Bloom and Company, LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Maryville, Missouri's financial statements for the year ended September 30, 2016. The independent auditor's report is located at the front of the financial section of this report.

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

For purposes of preparing this comprehensive annual financial report, all funds that are controlled by or dependent on, the City of Maryville are included. This comprises such services as administration, public safety, public works, recreational activities, water and sanitary sewerage utility, municipal court services, and a transfer station for disposal of refuse. GASB has established the criteria to determine the financial reporting entity for a municipal government's financial report. Therefore, the City used these criteria to examine the relationship of the City to other associated but legally separate entities, to determine if their inclusion in this report would be necessary to fairly present the financial position of the City. These legally separate entities are referred to as component units. These criteria generally have to do with financial benefit or burden, and levels of influence over the activities of these organizations. Based on this criteria, the City has determined that no outside agency or organization meets the above criteria and therefore, no other agency or organization has been included as a component unit in the financial statements.

PROFILE OF THE GOVERNMENT

The City of Maryville, Missouri was established on February 14, 1845 and was named after Mrs. Mary Graham, wife of Mr. Amos Graham, then the county clerk. Because Mary was the first women to live in the predetermined boundaries of the City, Maryville was named after her. Thomas Adams was the first settler in what is now the City of Maryville in 1840. By 1859 Maryville had flourished with many stores, a hotel, a post office, one church and the current Nodaway County Courthouse was built. Several attempts were made to incorporate the town of Maryville, but it wasn't until July 19, 1869 that Maryville officially became incorporated. It was at this time that a railroad was built from Maryville to Savannah and follows the route of the existing Highway 71. Construction of the railroad brought a stream of activity to the town square. In 1880, the town of Maryville was incorporated into a "City" and from there on the City of Maryville appointed a Mayor and Boards of Alderman.

On November 14, 1960 Maryville voted to establish a City Council/City Manager form of government from which it currently operates. In accordance with these statutes, the registered voters within the City elect five council members on an at-large nonpartisan basis serving three year staggered terms. All policymaking and legislative authority is vested in the City Council, whose responsibilities include, but are not limited to, passing ordinances, adopting the annual budget, and appointing committees. The City Council appoints a City Manager to serve as the chief administrative officer of the City, who is responsible for carrying out the policies and ordinances of the City Council, and overseeing the day-to-day operations of the City.

Today, the City of Maryville is the county seat of Nodaway County, and is incorporated as a third-class city under the Missouri statutes. The City encompasses approximately 6.2 square miles and is located in the northwest corner of the state, approximately 95 miles north of Kansas City, Missouri. The City's population is 11,972 according to the 2010 census. The City is empowered to levy a property tax on the real and personal property located within its boundaries, and by state statute to extend its corporate limits by annexation.

The City has approximately 80 full-time employees and provides a full range of services. These services include public safety protection, maintenance of streets and other infrastructure, water and sewerage sanitation, a transfer station facility for refuse disposal, code enforcement, a regional airport, and recreational opportunities provided by Mozingo Lake and the parks system.

LOCAL ECONOMY

Maryville offers a diverse employment base revolving around a foundation of agriculture, education and industry. The three pillars of the economy accentuate the hard work ethic in the community and are appropriately the key elements by which the City markets itself to promote economic development opportunities. This blend enables the City to minimize the significant stresses associated with potential business closings or migration of residents from the community during times of economic downturns. Overall the long-term outlook for the Maryville economy continues to be promising and provides ample opportunities for success through its strategic planning and partnerships developed with entities in the community and State.

The City of Maryville is a blend of small town living and cultural amenities usually found in larger communities. Northwest Missouri State University (NWMSU), located near downtown Maryville, was established in 1905 and currently offers courses in a balanced selection of degree opportunities to over 7,000 students. Through its "Encore" series, residents are able to enjoy a wide offering of musical events and lectures. NWMSU also features the Missouri Academy, an accelerated residential program for Missouri high school-age students academically excelling in science and math. The Academy offers an opportunity for exceptional students to live and work in a community of peers while earning college credits and a high school diploma. The two-year program of college coursework is tailored to individual abilities and taught by Northwest faculty. The local economy also benefits from the Center for Innovation and Entrepreneurship (CIE) located on the university campus. The CIE is a 46,679 square foot business incubator containing three lab research areas, scientific instrument rooms, office space, training areas, and a product distribution center. The CIE effectively connects industry and academics and is tailored to support business acceleration in the region.

The City welcomes industry of all types into the community and recognizes their contributions on the local, regional, national and global economy. Several large industries located in Maryville include Kawasaki, LaCiede Chain, NuCor-LMP, and Federal Mogul. In 2016, Midwest Warehousing purchased the former Energizer Holdings, Inc. property which had remained vacant since closure of the plant in 2013. Filling of the vacant facility represents

continued industrial growth and follows the recent voluntary annexation and \$25.5 million expansion of Kawasaki Motors Manufacturing. The City continues to partner with Nodaway County Economic Development (NCED) on recruitment and retention of local industry.

The City understands the value of developing partnerships for economic development purposes to stimulate the local economy. To this end, the City has established itself as a leader in the recruitment of new businesses, both corporate and industrial by taking a leadership role in creating a resource team of local entities which help to evaluate potential new businesses in the community. Each opportunity is measured by the committee to determine the value it would add to the community with a cost-benefit analysis according to the Maryville Comprehensive Plan. For the last five years, the economic development team traveled to the International Council of Shopping Centers (ICSC) annual retail conference to recruit new retail opportunities. This effort led to several successful openings for retailers and the continued redevelopment of the Mary Mart Shopping Center through the use of a Community Improvement District (CID). In 2015, the City of Maryville noted several new businesses locating on a vacant tract along E. First Street and South Main. The additional retail opportunities are a direct result of a progressive City Council working with developers to provide necessary infrastructure to the site. By continuing to establish these partnerships, the City is positive about its future retail growth and in sustaining upward trends.

Assessed real estate in the City has shown an overall increase during the past ten years. The increase has been a blend of reassessing existing structures and the addition of new construction. A 10-year historical summary of property growth and the relation to assessed value is provided in the statistical section of this report.

MAJOR INITIATIVES & LONG TERM FINANCIAL PLANNING

Major initiatives and long-term financial planning are integrally connected when these matters are associated with municipal government operations. Without long-term financial planning there are no major initiatives. Most initiatives require significant capital expenditure and financing for projects; likewise the major initiatives demand a conscious and assertive effort to perform long-range planning that appropriately assesses the long-term financial implications. The City of Maryville has been fortunate to recognize the marriage of these two items and consequently have remained financially healthy while also accomplishing major initiatives that have both direct and indirect impact to the community to impact quality of life. Significant initiatives are further described below to provide an understanding on how they benefit the community.

One of the most critical projects for the fiscal year is the Runway 14/32 Rehabilitation Project at Northwest Missouri Regional Airport. The \$3.4 million project replaces a 4,600 linear foot concrete runway, taxiway, and approaches currently in poor condition. The airport experiences numerous closures each year due to concrete failure and pilot safety. Missouri State Block Grant funds have been approved by the Missouri Department of Transportation (MoDOT) Aviation Section which will provide ninety (90) percent of project expenditures. The remaining ten (10) percent will be financed through a State Transportation Assistance Revolving (STAR) fund. Improved runway conditions will increase safety for the general aviation community and provide for enhanced economic development opportunities.

In 2016, numerous improvements were made to infrastructure conditions throughout the community. The 2016 Asphalt Mill & Overlay project focused on improving North Main Street from 242nd Street north to the Highway 71 Bypass. Nearly one (1) mile of poorly conditioned roadway was repaired including the addition of shoulders for enhanced safety. In addition, significant investments were made to the sanitary sewer system to reduce storm water inflow and infiltration (I&I). Following a smoke test report from 2015, large scale projects were completed to line sewer mains and repair manholes to address I&I in specific areas. Reduction of storm water from the system decreases the likelihood of system backups and mechanical treatment costs. The Edwards Street Water Tower also received attention with the interior painting to prevent further deterioration and extend the assets useful life. The City also began design/engineering of improvements for South Main Street, from South Avenue to the north entrance of Walmart. In response to a traffic corridor study and the adopted City Council goal "to implement South Main Street Corridor Improvements", full-design will allow for a shovel-ready project when construction funding is available.

With the presence of Northwest Missouri State University (NWMSU), Maryville's housing stock contains a significant amount of rental properties. Approximately 65% of all the residential housing is used in a rental capacity, predominantly targeted at students seeking higher education. Rental properties often have a tendency to deteriorate quickly in university based communities, especially if property owners do not reinvest in structure

maintenance. In these communities property maintenance code enforcement is crucial to the preservation and redevelopment of housing stock. In this fiscal year, the City actively enforced codes to bring selected houses back to respectable standing while ensuring the demolition of homes which are dilapidated and substandard. Over the past four (4) years, the City has initiated the removal of nearly fifty (50) unsafe and dangerous structures within the community. In 2015, the City Council approved the extension of the Campus Town Redevelopment Incentive Program (CTRIP) to encourage the rehabilitation of housing stock in the Campus Town Overlay District. The program provides demolition and permit fee incentives to property owners willing to reinvest in the district located just east of campus. The program was expanded through the Revitalize Maryville 2016 initiative to encourage single-family development citywide over a six month period and resulted in four (4) additional projects.

The City of Maryville also owns and operates Mozingo Lake Recreation Park, a 3,000 acre park with a 1,000 acre lake that acts as our primary water source to our customers. Surrounding the lake are various recreational activities including: RV camping, primitive camping, cabins, youth cabins, golf, hiking, water recreational activities, fishing and pavilions for family gatherings. Over the past few years, the City has been working with a local volunteer committee on the development of a nine (9) hole junior/short golf course at the park. The vision quickly gained the attention of legendary golfer Tom Watson, who subsequently agreed to design the course at no cost. A grass roots fundraising campaign followed generating over \$600,000 towards construction. The Watson 9 officially opened in May 2016 to international media attention and national golf accolades. Tom Watson himself played the inaugural round with local youth and the course will serve as a regional asset for years to come.

In April 2016, voters approved two (2) significant ballot questions regarding the future of Mozingo Lake Recreation Park. An existing one half (1/2) of one (1) percent sales tax for park funding was approved by voters for a new twenty (20) year period. The sales tax renewal aligns with the twenty (20) year Mozingo Lake Master Plan and ensures long-term improvements and continued operation and maintenance of the park. In addition to the sales tax extension, voters approved a new one eighth (1/8) of one (1) percent sales tax for the construction and operation of a conference center at Mozingo Lake Recreation Park. In 2011, the City Council performed a hotel market and feasibility study for the addition of a lodge and conference center at the park. With indicators of support for the complex and its inclusion in the master plan, the city recruited Boulders Inn & Suites as a project partner for the hotel facility. Construction is now underway for a privately-owned, 40 room, Boulders Inn & Suites with a planned opening for early 2017. With voter support, the new sales tax will fund the construction of a public conference center with meeting space to accommodate up to 500 people, full-service restaurant, new golf pro shop, offices, and indoor swing bays. The Conference Center at Mozingo Lake Recreation Park is also under construction with an estimated opening date of January 1, 2018. The complex will host expanded golf tournaments, tradeshow, conferences, and weddings, all serving as a tourism hub for the local economy.

The projects described above are only a fraction of the major initiatives pursued by the City of Maryville. These projects are designed to improve the quality of life for the citizens of Maryville and strategically position the City for continued success. With these projects moving forward, city staff will also ensure the delivery of core services and remain solvent as an organization.

RELEVANT FINANCIAL POLICIES

The City has adopted a comprehensive set of accounting policies. During the fiscal year, the following policy was particularly relevant. The City has a policy to seek federal and state grants to the greatest extent possible when available to fund capital and infrastructure improvements. During the fiscal year, the City started construction on major airport runway improvements made possible by a 90% federal grant and a promissory note payable through the Missouri Department of Transportation for the City's 10% match. This project would have been cost-prohibitive without this funding.

BUDGETARY CONTROLS

The annual budget serves as the foundation for the City's financial planning and control and is prepared by fund and department. After the proposed budget is prepared, it is submitted to the City Council for review. The Council may revise, alter, increase or decrease the items contained in the proposed budget, provided that total authorized expenditures from any fund do not exceed the estimated revenues to be received plus any unencumbered fund balance or less any deficit estimated for the beginning of the budget year. Following public

hearings on the proposed budget, it is approved through the adoption of the budget resolution by the affirmative vote of a majority of the members of the City Council.

INDEPENDENT AUDIT

City policy requires an annual audit to be made of the financial statements of the various funds. The independent certified public accounting firm of Hochschild, Bloom and Company audited the financial statements contained in this report for the year ended September 30, 2016. The auditor's report on the basic financial statements is included in the financial section of this report.

RISK MANAGEMENT

The City is provided property, casualty and liability insurance coverage by Missouri Intergovernmental Risk Management Association (MIRMA). MIRMA is comprised of approximately 77 municipalities across the state in a shared risk pool.

The City's health insurance is provided by United Healthcare. The City's dental insurance is provided by Principal Life.

In addition to the insurance coverage provided by MIRMA, the City has established several risk control measures through the City's safety committee in an effort to minimize accident-related losses.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Maryville for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2015. This was the eighth year that the City received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

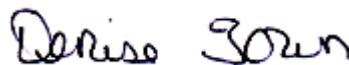
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report was accomplished through the efforts of the Finance Department. Our sincere thanks to all of those who assisted.

Respectfully submitted,



Greg McDanel
City Manager



Denise Town
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Maryville
Missouri**

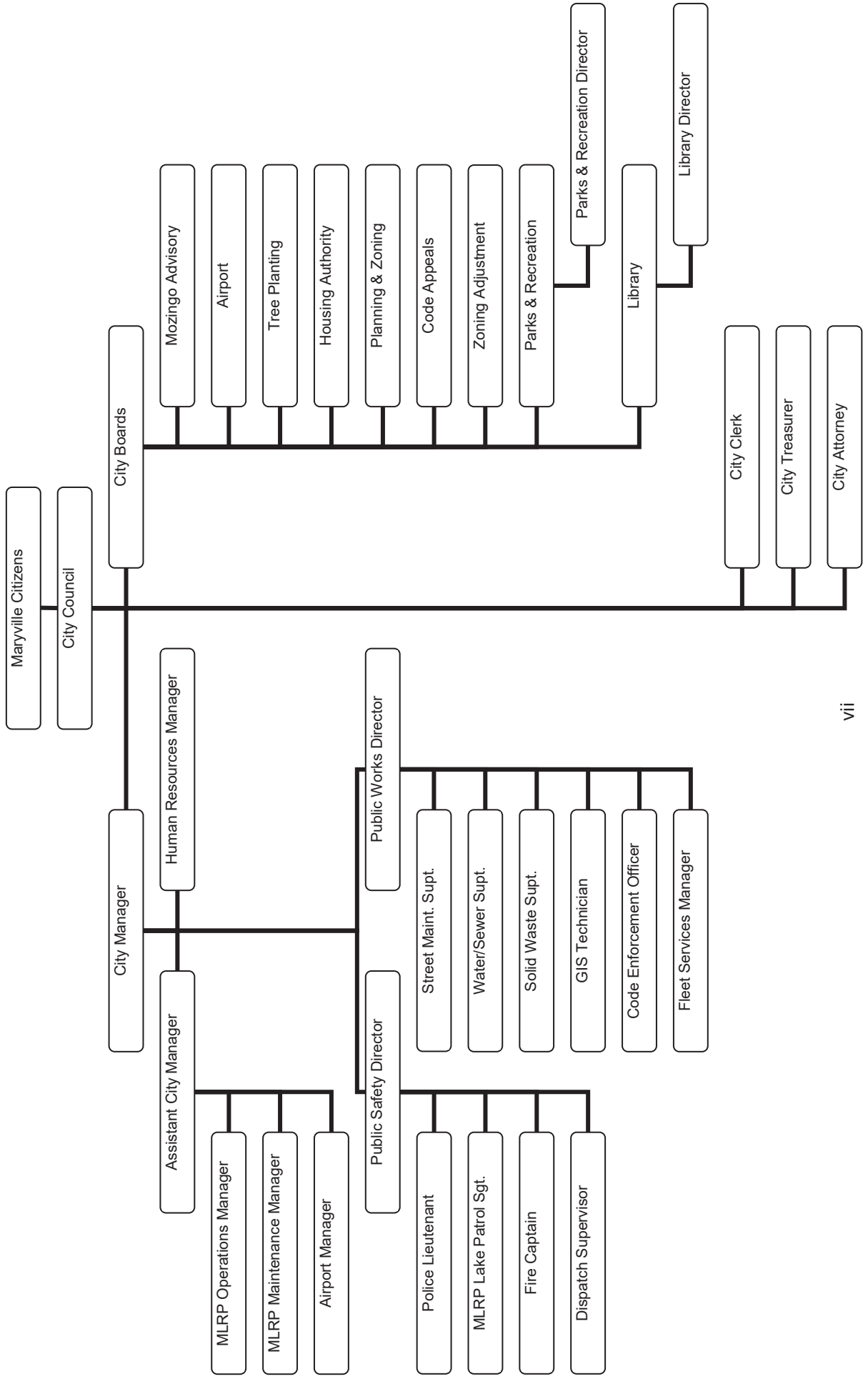
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2015

Executive Director/CEO

City of Maryville, Missouri

Organizational Chart
Year Ended September 30, 2016



City of Maryville, Missouri

Principal Officials

Year Ended September 30, 2016

Elected Officials

Title	Name
Mayor	Jason McDowell
Mayor Pro-Tem	Rachael Martin
Council Member	Renee Riedel
Council Member	Gerald Riggs
Council Member	Timothy Shipley

Administration

City Manager	Greg McDanel
Assistant City Manager	Ryan Heiland
City Clerk	Sheila Smail
Public Safety Director	R. Keith Wood
Public Works Director	C.E. Goodall
City Treasurer	Denise Town
City Attorney	Taryn Henry
Park & Recreation Director	Aaron Dobson

Financial Section

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

INDEPENDENT AUDITOR'S REPORT

February 9, 2017

Honorable Mayor and Members of the City Council
CITY OF MARYVILLE, MISSOURI

REPORT ON THE FINANCIAL STATEMENTS

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 MARYVILLE, MISSOURI** (the City), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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.

- ☐ 15450 South Outer Forty Road, Suite 135, Chesterfield, Missouri 63017-2066, 636-532-9525, Fax 636-532-9055
- ☐ 1000 Washington Square, P. O. Box 1457, Washington, Missouri 63090-8457, 636-239-4785, Fax 636-239-5448

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 of the City as of September 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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 supplementary information and introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic

financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 2017 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Maryville's (the City) financial statements presents a narrative overview and comparative analysis of the financial activities of the City for the fiscal year ended September 30, 2016.

We offer those interested in the City of Maryville's financial statements this narrative overview and analysis of the financial activities of the City of Maryville for the fiscal year ended September 30, 2016.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the September 30, 2016 fiscal year by \$37,140,137 (net position). The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the September 30, 2015 fiscal year by \$35,561,254 (net position).

The government's total net position increased by \$1,578,883 for fiscal year September 30, 2016.

As of the close of this current fiscal year, the City's governmental funds reported combined ending fund balances of \$3,310,328, an increase of \$40,944 in comparison with the prior year. Approximately 29 percent of this total amount, \$966,069, is available for spending at the government's discretion (unassigned fund balance). As of the close of the September 30, 2015 fiscal year, the City of Maryville's governmental funds reported combined ending fund balances of \$3,269,384, a decrease of \$1,222,879 in comparison with the prior year. Approximately 25 percent of the total amount, \$833,673, is available for spending at the government's discretion (unassigned fund balance).

At the end of the current fiscal year, unassigned fund balance for the General Fund was \$966,069, or 15.1 percent of total General Fund expenditures.

The City's total debt, excluding compensated absences, decreased by \$2,264,623 (8.3 percent) during the current fiscal year.

City of Maryville, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2016

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the basic financial statements.

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 position** presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether or not the financial position of the City is improving or deteriorating.

The **statement of activities** presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position 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, such as revenues pertaining to uncollected taxes and expense pertaining to earned but unused vacation.

Both of 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, public works, and park and recreation. The business-type activities of the City include water/sewer utility, solid waste, and Mozingo recreation.

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, used fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into the following three categories: **Governmental Funds**, **Proprietary Funds**, and **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 fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in determining what financial resources are available in the near future to finance the City's programs.

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, the reader may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains six (6) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Park and Recreation Fund, and the Capital Improvements Fund which are considered to be major funds. Data from the remaining governmental funds, the TIF Fund, the Debt Retirement Fund, and the Permanent Fund are combined into a single, aggregated

City of Maryville, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2016

presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds

Proprietary funds are generally used to account for services for which the City charges customers—either outside customers, or internal units or departments of the City. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The City maintains the following two 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 the operations of the Water and Sewer, Solid Waste, and Mozingo Recreation activities. All Enterprise funds are considered to be major funds of the City.

Internal Service Funds are used to report activities that provide supplies and services for certain City programs and activities. The City uses Internal Service funds to account for its fleet of vehicles and equipment and health insurance benefits. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The Internal Service funds are combined into a single, aggregated presentation in the propriety fund financial statements. Individual fund data for the Internal Service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. The City has three agency funds, which are reported under the Fiduciary funds. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for Fiduciary funds is much like that used for Proprietary funds.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees and budgetary comparison schedules for the General Fund and major special revenue funds.

Combining Statements

The combining statements referred to earlier in connection with non-major Governmental funds, Internal Service funds and Fiduciary funds are presented immediately following the required supplementary information on pensions and budgetary comparison information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Net Position

As noted earlier, net position may serve as a useful indicator of a government's financial position. For the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$37,140,137 at the close of the fiscal year ended September 30, 2016.

The largest portion of the City's net position reflects its investment of \$28,742,131 (77.4 percent) in capital assets (e.g. land, buildings, and equipment), less any related outstanding debt used to acquire those assets. 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, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated from these liabilities.

City of Maryville, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2016

Net Position

	Governmental Activities 2016	Business-Type Activities 2016	Total 2016	Governmental Activities 2015	Business-Type Activities 2015	Total 2015
Assets						
Current and other assets	\$ 5,033,761	\$ 7,509,769	\$12,543,530	\$ 5,522,036	\$ 8,190,305	\$13,712,341
Capital assets	<u>18,519,726</u>	<u>31,945,442</u>	<u>50,465,168</u>	<u>18,156,881</u>	<u>32,202,559</u>	<u>50,359,440</u>
Total assets	<u>23,553,487</u>	<u>39,455,211</u>	<u>63,008,698</u>	<u>23,678,917</u>	<u>40,392,864</u>	<u>64,071,781</u>
Deferred Outflows of Resources						
Deferred outflows-pension related	<u>1,298,821</u>	<u>470,841</u>	<u>1,769,662</u>	<u>473,457</u>	<u>168,214</u>	<u>641,214</u>
Liabilities						
Noncurrent liabilities	4,980,025	17,829,839	22,809,864	6,276,680	18,760,347	25,037,027
Other liabilities	<u>2,802,105</u>	<u>1,914,615</u>	<u>4,716,720</u>	<u>2,188,292</u>	<u>1,848,534</u>	<u>4,036,826</u>
Total liabilities	<u>7,782,130</u>	<u>19,744,454</u>	<u>27,526,584</u>	<u>8,464,972</u>	<u>20,608,881</u>	<u>29,073,853</u>
Deferred Inflows of Resources						
Deferred inflows-pension related	<u>109,637</u>	<u>2,002</u>	<u>111,639</u>	<u>76,397</u>	<u>1,948</u>	<u>78,345</u>
Net Position						
Net investment in capital assets	13,659,682	15,082,449	28,742,131	12,384,247	14,279,517	26,663,764
Restricted	1,623,075	609,627	2,232,702	1,476,049	605,824	2,081,873
Unrestricted	<u>1,677,784</u>	<u>4,487,520</u>	<u>6,165,304</u>	<u>1,750,709</u>	<u>5,064,908</u>	<u>6,815,617</u>
Total net position	<u>\$16,960,541</u>	<u>\$20,179,596</u>	<u>\$37,140,137</u>	<u>\$15,611,005</u>	<u>\$19,950,249</u>	<u>\$35,561,254</u>

An additional portion of the City's net position (6.0%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is \$6,165,304.

Analysis of Changes in Net Position

City of Maryville, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2016

The changes in net position are highlighted in the following table, which shows the City's revenues and expenses for the fiscal year. These two main components are subtracted to yield the change in net position.

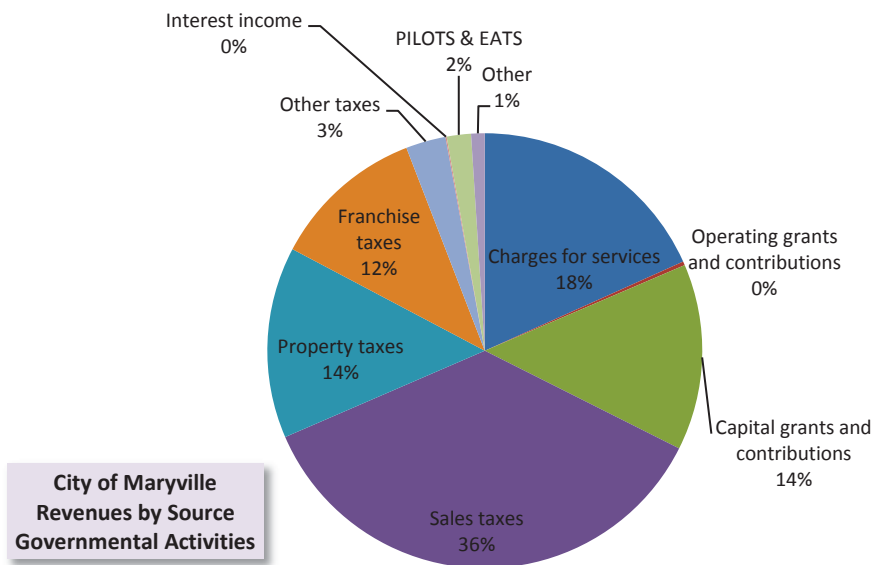
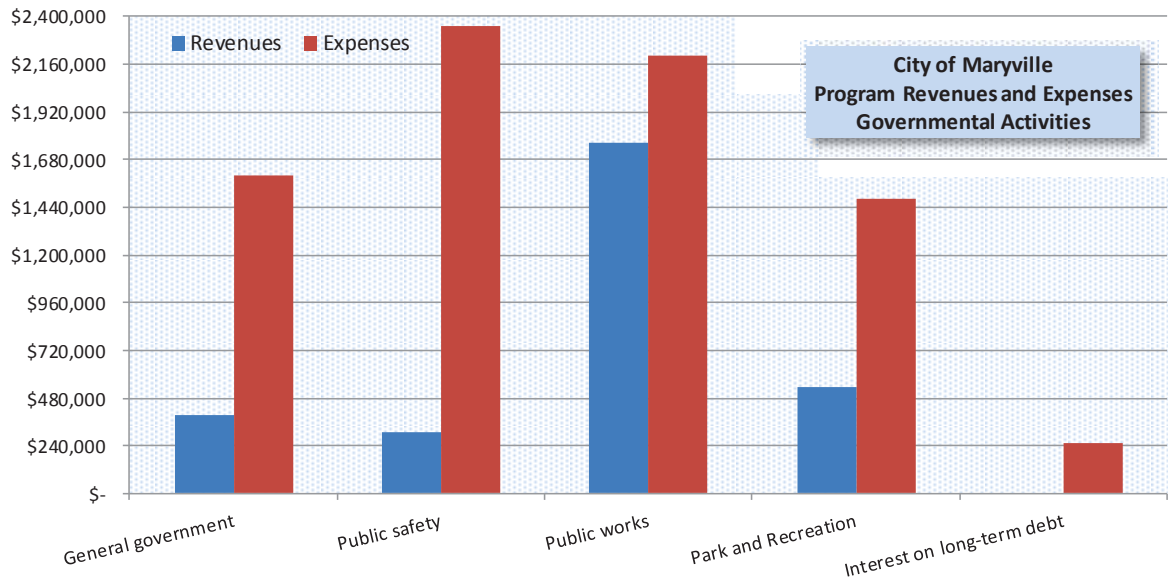
Changes in Net Position

	Governmental Activities 2016	Business-Type Activities 2016	Total 2016	Governmental Activities 2015	Business-Type Activities 2015	Total 2015
Revenues:						
Program revenues:						
Charges for services	\$ 1,691,265	\$ 6,175,284	\$ 7,866,549	\$ 1,714,502	\$ 5,924,093	\$ 7,638,595
Operating grants and contributions	25,714	40,097	65,811	780	39,136	39,916
Capital grants and contributions	1,282,890	78,926	1,361,816	1,004,714	1,032,652	2,037,366
General revenues:						
Property taxes	1,316,477	-	1,316,477	1,090,117	-	1,090,117
Sales taxes	3,339,173	970,447	4,309,620	3,268,852	951,025	4,219,877
Franchise taxes	1,054,690	-	1,054,690	1,284,360	-	1,284,360
Other taxes	274,522	-	274,522	286,711	-	286,711
PILOTS & EATS-TIF	166,680	-	166,680	157,896	-	157,896
Interest income	8,219	16,644	24,863	5,204	13,628	18,832
Other	93,752	154,972	248,724	88,167	8,292	96,459
Gain on sale of capital assets	-	49,292	49,292	-	19,900	19,900
Total revenues	<u>9,253,382</u>	<u>7,485,662</u>	<u>16,739,044</u>	<u>8,901,303</u>	<u>7,988,726</u>	<u>16,890,029</u>
Expenses:						
General government	1,602,647	-	1,602,647	1,346,176	-	1,346,176
Public safety	2,350,067	-	2,350,067	2,093,104	-	2,093,104
Public works	2,200,689	-	2,200,689	1,781,467	-	1,781,467
Parks and recreation	1,485,858	-	1,485,858	1,487,910	-	1,487,910
Interest on long-term debt	249,968	-	249,968	446,699	-	446,699
Solid waste	-	262,725	262,725	-	309,452	309,452
Water and sewer	-	4,946,924	4,946,924	-	4,551,475	4,551,475
Mozingo recreation	-	2,061,283	2,061,283	-	2,072,049	2,072,049
Total expenses	<u>7,889,229</u>	<u>7,270,932</u>	<u>15,160,161</u>	<u>7,155,356</u>	<u>6,932,976</u>	<u>14,088,332</u>
Excess (deficiency) before transfers	1,364,153	214,730	1,578,883	1,745,947	1,055,750	2,801,697
Transfers	<u>(14,617)</u>	<u>14,617</u>	<u>-</u>	<u>(83,394)</u>	<u>83,394</u>	<u>-</u>
Increase (decrease) in net position	1,349,536	229,347	1,578,883	1,662,553	1,139,144	2,801,697
Net position, beginning	<u>15,611,005</u>	<u>19,950,249</u>	<u>35,561,254</u>	<u>13,948,452</u>	<u>18,811,105</u>	<u>32,759,557</u>
Net position, ending	<u>\$16,960,541</u>	<u>\$20,179,596</u>	<u>\$37,140,137</u>	<u>\$15,611,005</u>	<u>\$19,950,249</u>	<u>\$35,561,254</u>

Governmental activities. Governmental activities increased the City's net position by \$1,349,536. The largest single revenue source for the City was sales tax, which increased by \$70,321 (2.2 percent) from 2015. Certain revenues are generated that are specific to governmental program activities. These totaled \$2,999,869 in 2016 and \$2,719,996 in 2015.

City of Maryville, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2016

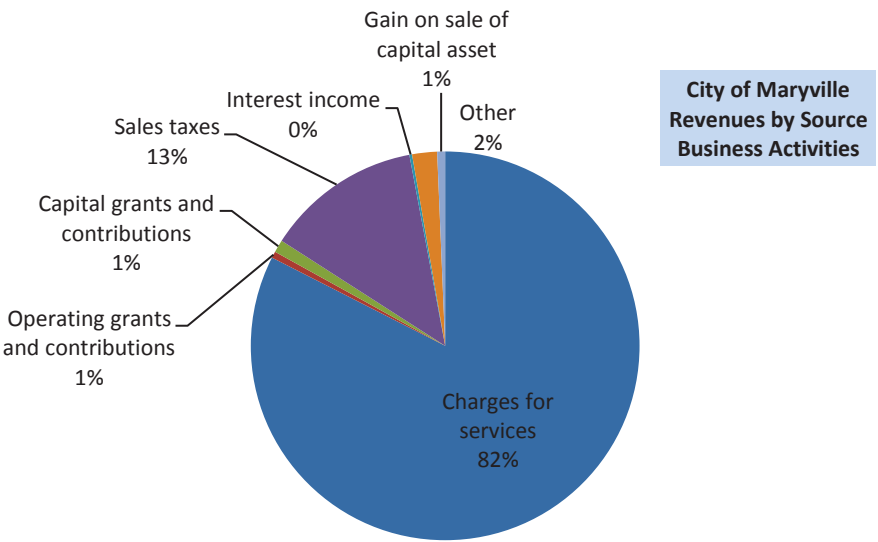
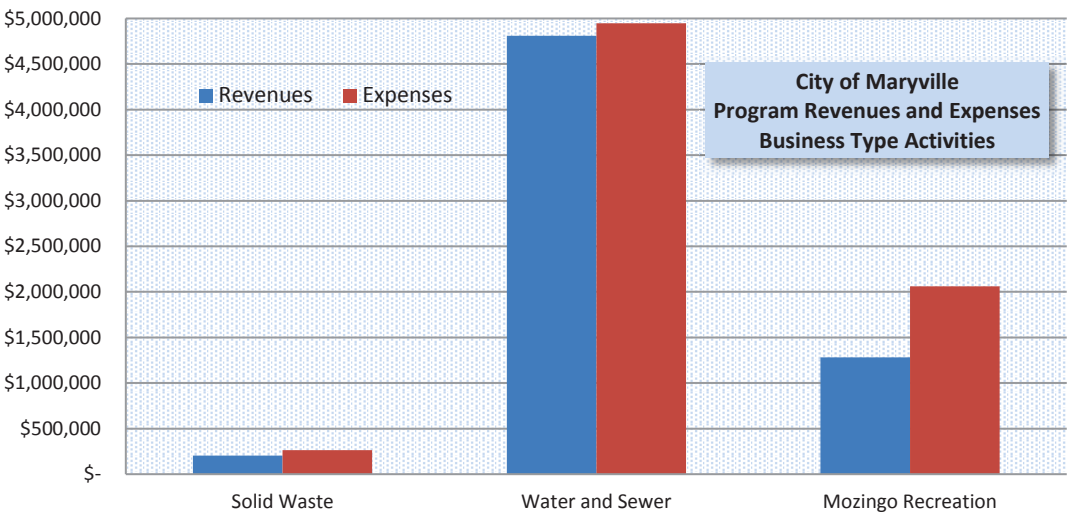


As shown in the Program Revenues and Expenses graph, public safety is the largest function in expense (29.8 percent), followed by public works (27.9 percent) and park and recreation (20.3 percent). General revenues such as sales and property taxes are not shown by program, but are effectively used to support program activities citywide.

City of Maryville, Missouri

Management’s Discussion and Analysis
For Fiscal Year Ended September 30, 2016

Business-type activities. Business-type activities increased the City’s net position by \$229,347. This is mainly due to capital contributions for trail development and cabin construction at Mozingo Lake Recreation Park, and gain on sale of capital assets in the Solid Waste Fund.



City of Maryville, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2016

As shown in the preceding two graphs for business-type activities' revenues, the largest of the City's business-type activities, Water and Sewer, had expenses of \$4,946,924, followed by Mozingo Recreation with expenses of \$2,061,283, and finally Solid Waste with \$262,725 in expenses. For the fiscal year, expenses exceeded revenues in all three of the activities. Fees provided the largest share of revenues (82.5 percent) followed by sales tax (13.0 percent), and other revenue (2.1 percent) collected for operations at Mozingo Lake Recreation Park.

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.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of Governmental funds reported by the City include the General Fund, Special Revenue Funds, Capital Project Fund, Permanent Fund and Debt Service Fund.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$3,310,328, an increase of \$40,944 in comparison with the prior year. Approximately 29 percent of this total amount, (\$966,069), constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is either nonspendable, restricted, committed or assigned to indicate that it is 1) not in spendable form (\$138,210), 2) restricted for particular purposes (\$1,507,644), 3) committed for particular purposes (\$165,201), or 4) assigned for the subsequent year's budget appropriation (\$533,204).

As of the end of the September 30, 2015 fiscal year, the City's governmental funds reported

combined ending fund balances of \$3,269,384, a decrease of \$1,222,879 in comparison with the prior year. Approximately 26 percent of this total amount, (\$833,673), constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is either nonspendable, restricted, committed or assigned to indicate that it is 1) not in spendable form (\$138,183), 2) restricted for particular purposes (\$1,360,618), 3) committed for particular purposes (\$378,163), or 4) assigned for the subsequent year's budget appropriation (\$558,747).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$966,069, while total fund balance was \$1,690,263. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 15.1 percent of total General Fund expenditures, while total fund balance represents 26.3 percent of that same amount. The fund balance of the City's General Fund decreased by \$106,082 during the current fiscal year. This was mainly due to capital related projects, such as equipment purchases and street improvements.

The Park and Recreation Fund has a total fund balance of \$334,835. The net increase in fund balance during the current year was \$83,840. This was due to a tax levy increase.

The Capital Improvements Fund has a total fund balance of \$218,122. The net increase in fund balance during the current year was \$8,212. The increase was due to the cancellation of a budgeted project.

General Fund Budgetary Highlights

Actual revenue exceeded the budget in a several categories due to conservative estimates. On the expenditure side, some projects were delayed or modified, and the street maintenance department was understaffed during part of the year, resulting in favorable budget to actual expenditure variances. In addition, the airport improvement project was not

City of Maryville, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2016

completed, resulting in significant revenue and expenditure variances.

Proprietary Funds

The City's proprietary funds financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Solid Waste Fund at the end of the year was \$(1,782,069); the Water and Sewer Fund was \$5,307,120; and the Mozingo Recreation Fund was \$962,469. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

Fiduciary Funds

The City maintains Fiduciary Funds for the assets of the Municipal Court Agency Fund, the PILOT Agency Fund and the Library Tax Agency Fund.

City of Maryville, Missouri

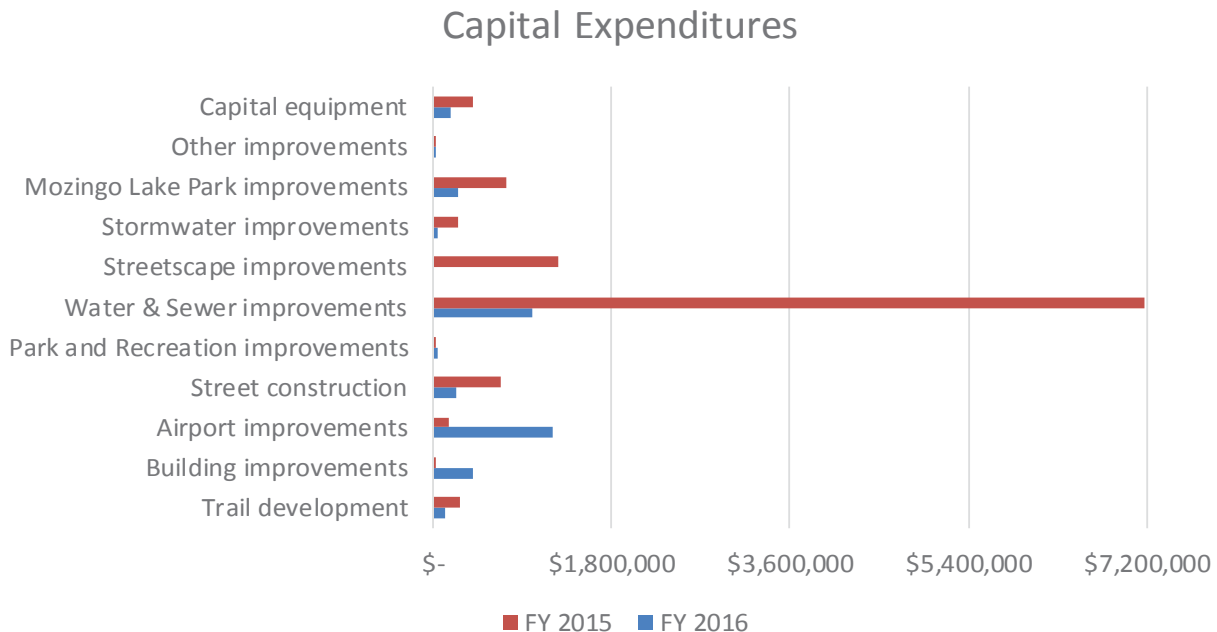
Management's Discussion and Analysis For Fiscal Year Ended September 30, 2016

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2016, amounts to \$50,465,168 (net of accumulated depreciation). This investment in capital assets includes land, intangible, construction in progress, buildings, improvements, machinery and equipment. Major capital asset expenditures during 2016 and 2015 include:

	2016	2015
Trail development	\$ 123,433	\$ 262,118
Building improvements	394,659	12,854
Airport improvements	1,207,853	160,726
Street construction	218,058	675,445
Park and Recreation improvements	49,273	22,500
Water & Sewer improvements	1,076,814	7,171,974
Streetscape improvements	-	1,255,465
Storm water improvements	34,418	246,300
Golf course improvements	238,849	726,797
Other improvements	12,121	28,574
Capital equipment	167,070	391,512
	<u>\$ 3,522,548</u>	<u>\$ 10,954,265</u>

The following graph shows the capital expenditures:



City of Maryville, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2016

Capital Assets, Net of Depreciation

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 456,757	\$ 456,757	\$ 1,907,872	\$ 1,907,872	\$ 2,364,629	\$ 2,364,629
Intangible asset	-	-	240,304	165,854	240,304	165,854
Buildings	5,455,318	5,455,318	23,720,492	23,498,462	29,175,810	28,953,780
Improvements other than buildings	21,746,258	21,120,412	40,152,449	38,428,066	61,898,707	59,548,478
Construction in progress	1,472,879	483,030	636,463	1,187,368	2,109,342	1,670,398
Machinery and equipment	3,890,089	3,798,166	6,349,515	6,352,813	10,239,604	10,150,979
Accumulated depreciation	(14,501,575)	(13,156,802)	(41,061,653)	(39,337,876)	(55,563,228)	(52,494,678)
Total	\$18,519,726	\$18,156,881	\$ 31,945,442	\$32,202,559	\$ 50,465,168	\$ 50,359,440

Additional information on the City's capital assets can be found in Note 4 of this report.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$2,945,000, which is debt backed by the full faith and credit of the government.

Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
General obligation bonds	\$ 2,945,000	\$ 3,155,000	\$ -	\$ -	\$ 2,945,000	\$ 3,155,000
TIF revenue bonds	1,480,000	1,745,000	-	-	1,480,000	1,745,000
Revenue bonds	-	-	14,080,000	14,680,000	14,080,000	14,680,000
Certificates of participation	1,715,000	2,530,000	2,260,000	2,375,000	3,975,000	4,905,000
Premium	80,562	87,634	20,627	31,350	101,189	118,984
Discount	-	-	(203,363)	(215,325)	(203,363)	(215,325)
Notes payable	163,009	-	-	-	163,009	-
Capital leases	-	-	705,729	1,077,068	705,729	1,077,068
Total	\$ 6,383,571	\$ 7,517,634	\$ 16,862,993	\$17,948,093	\$ 23,246,564	\$ 25,465,727

The City's total debt decreased by \$2,219,163 (8.7 percent) during the current fiscal year. Additional information on the City's long-term debt can be found in Note 5 of this report.

Economic Factors and Next Year's Budgets and Rates

The fiscal year 2017 marks the City's fifth year in transitioning to a priority-based budgeting process. While the organization is still several years away from being truly priority-based with performance measurement, the process once again included several Strategic Planning Sessions to identify goals of the community. Short-term and long-term goals were adopted by the City Council in July 2016 and remain as overarching, high level objectives for the organization, reflective of the community's priorities. The FY 2017 budget process marks the fourth year under the guidance of the Maryville Comprehensive Plan, which is designed to provide an essential legal basis for land use regulation such as zoning and to present a unified and compelling vision for the community.

The FY 2017 budget funds all the essential City services that Maryville residents expect, such as law enforcement and street maintenance. The City has remained fiscally sound while aggressively pursuing measures to improve the quality of life in our neighborhoods and upgrade infrastructure. The City has strategically positioned itself to once again include numerous project initiatives in the budget.

The FY 17 budget includes significant funds for airport runway improvements, street improvements, and water/sewer infrastructure improvements. Also planned is the construction of a conference center at Mozingo Lake Recreational Park, and a project to replace all existing water meters and install the related infrastructure

City of Maryville, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2016

and software to implement an Advanced Metering Infrastructure (AMI) system. The City will finance these projects with Certificates of Participation debt in January 2017. After debt issuance the budget will be amended to reflect both projects.

While conservative numbers were used to prepare the FY 2017 budget, the residential and business growth rate within the City is trending upward. Many factors contribute to the trend, but municipal actions and programs over the previous two fiscal years will continue to positively impact revenues in FY 2017 and beyond. The City's strategy for economic development and the removal of unsafe and dangerous structures have led to a variety of new retail options, infill residential development and a rejuvenated rental housing market.

In 2015 the City worked with newly annexed Kawasaki Motors Manufacturing Corporation to complete a significant expansion. The City issued \$25.5 million in Industrial Revenue Bonds (Chapter 100) to facilitate a 100,000 square foot expansion and create a minimum of thirty (30) new jobs. The bonds will be repaid by the company and the City is not legally obligated to the debt. The City will work alongside Nodaway County Economic Development to further analyze the needs of existing industry and where certain programs can facilitate further private investment.

The City and Northwest Missouri State University plan to continue their partnership on community projects. The City Council approved the placement of a transient guest tax question on the November 2016 ballot. If approved, revenues from the 5% tax will be used to advance community tourism and economic development, with a large portion of the revenue used toward the construction and operation of the Northwest Multipurpose Complex. The facility plans to boost tourism in the community and aligns with campus master plans and the Maryville Comprehensive Plan.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Denise Town, City Treasurer, City of Maryville, P.O. Box 438, Maryville, Missouri 64468.

Basic Financial Statements

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City of Maryville, Missouri

Statement of Net Position

September 30, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash, cash equivalents and investments	\$ 3,140,625	\$ 5,778,844	\$ 8,919,469
Receivables, net:			
Taxes	640,797	125,964	766,761
Grants	701,130	90,607	791,737
Utilities	---	706,751	706,751
Accounts	93,227	---	93,227
Interest	437	---	437
Note	---	13,580	13,580
Other	624	194,638	195,262
Prepays	186,542	92,714	279,256
Inventory	29,640	255,703	285,343
Cash - restricted for refundable deposits	---	231,019	231,019
Total Current Assets	<u>4,793,022</u>	<u>7,489,820</u>	<u>12,282,842</u>
Noncurrent Assets:			
Net pension asset	240,739	---	240,739
Note receivable	---	19,949	19,949
Capital assets:			
Nondepreciable	1,929,636	2,784,639	4,714,275
Depreciable, net	<u>16,590,090</u>	<u>29,160,803</u>	<u>45,750,893</u>
Total Noncurrent Assets	<u>18,760,465</u>	<u>31,965,391</u>	<u>50,725,856</u>
Total Assets	<u>23,553,487</u>	<u>39,455,211</u>	<u>63,008,698</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows-pension related	<u>1,298,821</u>	<u>470,841</u>	<u>1,769,662</u>
LIABILITIES			
Current Liabilities:			
Accounts payable and accrued expenses	1,198,182	399,072	1,597,254
Refundable deposits - restricted cash	---	231,019	231,019
Accrued interest payable	18,352	143,308	161,660
Compensated absences payable	181,882	52,536	234,418
Long-term liabilities due within one year	<u>1,403,689</u>	<u>1,088,680</u>	<u>2,492,369</u>
Total Current Liabilities	<u>2,802,105</u>	<u>1,914,615</u>	<u>4,716,720</u>
Noncurrent Liabilities:			
Net pension liability	---	195,987	195,987
Landfill post-closure liability	---	1,837,512	1,837,512
Long-term liabilities due in more than one year	<u>4,980,025</u>	<u>15,796,340</u>	<u>20,776,365</u>
Total Noncurrent Liabilities	<u>4,980,025</u>	<u>17,829,839</u>	<u>22,809,864</u>
Total Liabilities	<u>7,782,130</u>	<u>19,744,454</u>	<u>27,526,584</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows-pension related	<u>109,637</u>	<u>2,002</u>	<u>111,639</u>
NET POSITION			
Net investment in capital assets	13,659,682	15,082,449	28,742,131
Restricted:			
Endowment	115,431	---	115,431
Debt service	721,087	609,627	1,330,714
Tax increment financing project debt service	205,267	---	205,267
Park and recreation	334,835	---	334,835
Capital improvements	218,122	---	218,122
Municipal cemetery	25,323	---	25,323
Other purposes	3,010	---	3,010
Unrestricted	<u>1,677,784</u>	<u>4,487,520</u>	<u>6,165,304</u>
Total Net Position	<u>\$ 16,960,541</u>	<u>\$ 20,179,596</u>	<u>\$ 37,140,137</u>

See Notes to Basic Financial Statements

City of Maryville, Missouri

Statement of Activities

For the Year Ended September 30, 2016

Function/Programs	Program Revenues				Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental Activities:							
General government	\$ 1,602,647	\$ 395,292	\$ ---	\$ ---	\$ (1,207,355)	\$ ---	\$ (1,207,355)
Public safety	2,350,067	306,903	2,654	---	(2,040,510)	---	(2,040,510)
Public works	2,200,689	457,532	23,060	1,282,890	(437,207)	---	(437,207)
Park and recreation	1,485,858	531,538	---	---	(954,320)	---	(954,320)
Interest on long-term debt	249,968	---	---	---	(249,968)	---	(249,968)
Total Governmental Activities	7,889,229	1,691,265	25,714	1,282,890	(4,889,360)	---	(4,889,360)
Business-Type Activities:							
Solid waste	262,725	202,944	---	---	---	(59,781)	(59,781)
Water/sewer utility	4,946,924	4,768,852	40,097	---	---	(137,975)	(137,975)
Mozingo recreation	2,061,283	1,203,488	---	78,926	---	(778,869)	(778,869)
Total Business-Type Activities	7,270,932	6,175,284	40,097	78,926	---	(976,625)	(976,625)
Total Primary Government	<u>\$ 15,160,161</u>	<u>\$ 7,866,549</u>	<u>\$ 65,811</u>	<u>\$ 1,361,816</u>	<u>\$ (4,889,360)</u>	<u>\$ (976,625)</u>	<u>\$ (5,865,985)</u>
General Revenues:							
Taxes:							
Property Taxes					1,316,477	---	1,316,477
Sales Taxes					3,339,173	970,447	4,309,620
Franchise Taxes					1,054,690	---	1,054,690
Other Taxes					274,522	---	274,522
PILOT & EATS - TIF					166,680	---	166,680
Interest					8,219	16,644	24,863
Other					93,752	154,972	248,724
Gain on sale of capital assets					---	49,292	49,292
Transfers					(14,617)	14,617	---
Total General Revenues and Transfers					6,238,896	1,205,972	7,444,868
Change in Net Position					1,349,536	229,347	1,578,883
Net Position - Beginning					15,611,005	19,950,249	35,561,254
Net Position - Ending					\$ 16,960,541	\$ 20,179,596	\$ 37,140,137

City of Maryville, Missouri

Balance Sheet

Governmental Funds

September 30, 2016

	General Fund	Park and Recreation Fund	Capital Improvements Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash, cash equivalents and investments	\$ 1,571,849	\$ 332,603	\$ 114,763	\$ 1,024,625	\$ 3,043,840
Receivables, net:					
Taxes	449,932	36,514	121,809	32,542	640,797
Grants	627,329	---	73,801	---	701,130
Accounts	82,677	1,011	---	9,539	93,227
Interest	---	---	---	437	437
Inventory	22,779	---	---	---	22,779
Total Assets	<u>\$ 2,754,566</u>	<u>\$ 370,128</u>	<u>\$ 310,373</u>	<u>\$ 1,067,143</u>	<u>\$ 4,502,210</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	<u>\$ 1,064,303</u>	<u>\$ 35,293</u>	<u>\$ 92,251</u>	<u>\$ 35</u>	<u>\$ 1,191,882</u>
Total Liabilities	<u>1,064,303</u>	<u>35,293</u>	<u>92,251</u>	<u>35</u>	<u>1,191,882</u>
Fund Balances:					
Nonspendable:					
Inventory	22,779	---	---	---	22,779
Endowment	---	---	---	115,431	115,431
Restricted for:					
Debt service	---	---	---	721,087	721,087
Tax increment financing project debt service	---	---	---	205,267	205,267
Park and recreation	---	328,860	---	---	328,860
Capital improvements	---	---	218,122	---	218,122
Municipal cemetery	---	---	---	25,323	25,323
Other purposes	3,010	5,975	---	---	8,985
Committed to:					
Capital, construction and services	165,201	---	---	---	165,201
Assigned:					
Subsequent year's budget appropriation of fund balances	533,204	---	---	---	533,204
Unassigned	966,069	---	---	---	966,069
Total Fund Balances	<u>1,690,263</u>	<u>334,835</u>	<u>218,122</u>	<u>1,067,108</u>	<u>3,310,328</u>
Total Liabilities and Fund Balances	<u>\$ 2,754,566</u>	<u>\$ 370,128</u>	<u>\$ 310,373</u>	<u>\$ 1,067,143</u>	<u>\$ 4,502,210</u>

City of Maryville, Missouri

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

September 30, 2016

Fund Balances - Total Governmental Funds	\$ 3,310,328
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets net of depreciation are not financial resources and are not reported in governmental funds.	18,519,406
Long-term debt and compensated absences are not due and payable with current financial resources and are not reported in governmental funds.	
General obligation and TIF revenue bonds	(4,425,000)
Certificates of participation	(1,715,000)
Notes payable	(163,009)
Compensated absences	(181,284)
Bond premium	(80,562)
Accrued interest payable for the current portion of interest due on long-term debt has not been reported in the governmental funds.	(18,352)
Other long-term assets are not available to pay for current period expenditures	183,792
Certain items are not a financial resource and, therefore, are not reported in the governmental funds. These consist of:	
Deferred outflows, pension related	1,273,770
Net pension asset	252,142
Deferred inflows, pension related	(109,637)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and vehicles, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	113,947
Net position of governmental activities	<u>\$ 16,960,541</u>

City of Maryville, Missouri

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended September 30, 2016

	General Fund	Park and Recreation Fund	Capital Improvements Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 4,100,927	\$ 834,269	\$ 932,289	\$ 602,280	\$ 6,469,765
Licenses and permits	70,560	---	---	---	70,560
Intergovernmental	1,592,674	---	87,162	---	1,679,836
Charges for services	57,641	531,538	---	---	589,179
Fines and forfeitures	257,116	---	---	---	257,116
Interest	4,248	1,175	140	2,656	8,219
Other	161,553	12,574	---	---	174,127
Total Revenues	<u>6,244,719</u>	<u>1,379,556</u>	<u>1,019,591</u>	<u>604,936</u>	<u>9,248,802</u>
EXPENDITURES					
Current:					
General government	1,365,995	---	---	670	1,366,665
Public safety	2,172,098	---	---	---	2,172,098
Public works	1,353,020	---	---	---	1,353,020
Park and recreation	---	1,187,938	---	---	1,187,938
Capital outlay	1,518,960	100,090	113,538	---	1,732,588
Debt service:					
Principal retirement	5,160	---	815,000	475,000	1,295,160
Interest and fiscal charges	1,447	---	52,090	204,984	258,521
Total expenditures	<u>6,416,680</u>	<u>1,288,028</u>	<u>980,628</u>	<u>680,654</u>	<u>9,365,990</u>
Excess of revenues over (under) expenditures	<u>(171,961)</u>	<u>91,528</u>	<u>38,963</u>	<u>(75,718)</u>	<u>(117,188)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	---	---	---	138,380	138,380
Transfers out	(106,870)	(7,688)	(30,751)	(7,688)	(152,997)
Insurance recoveries	4,580	---	---	---	4,580
Notes payable issued	168,169	---	---	---	168,169
Total other financing sources (uses)	<u>65,879</u>	<u>(7,688)</u>	<u>(30,751)</u>	<u>130,692</u>	<u>158,132</u>
Net change in fund balances	(106,082)	83,840	8,212	54,974	40,944
Fund balances - Beginning	<u>1,796,345</u>	<u>250,995</u>	<u>209,910</u>	<u>1,012,134</u>	<u>3,269,384</u>
Fund balances - Ending	<u>\$ 1,690,263</u>	<u>\$ 334,835</u>	<u>\$ 218,122</u>	<u>\$ 1,067,108</u>	<u>\$ 3,310,328</u>

City of Maryville, 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 September 30, 2016

Net change in fund balances - Total governmental funds	\$ 40,944
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense.

Capital outlay	1,743,483
Depreciation expense	(1,380,008)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position:

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	1,295,160
Issuance of note payable	(168,169)
Amortization of bond premium	7,072

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Accrued interest on long-term debt	1,481
Accrued compensated absences liability	(10,822)
Net pension expense	(184,088)
Prepays	5,739

Internal service funds are used by management to charge the costs of certain activities, such as equipment management and insurance, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities.

(1,256)

Change in net position of governmental activities	<u>\$ 1,349,536</u>
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City of Maryville, Missouri

Statement of Net Position

Proprietary Funds

September 30, 2016

	Solid Waste Fund	Water and Sewer Fund	Mozingo Recreation Fund	Totals	Governmental Activities - Internal Service Funds
ASSETS					
Current:					
Cash, cash equivalents and investments	\$ 222	\$ 5,238,083	\$ 540,539	\$ 5,778,844	\$ 96,785
Receivables, net:					
Taxes	---	---	125,964	125,964	---
Utilities	11,861	694,890	---	706,751	---
Grants	---	---	90,607	90,607	---
Other	---	73,240	121,398	194,638	624
Note	13,580	---	---	13,580	---
Prepaid expense	3,392	48,061	41,261	92,714	2,750
Inventory	---	222,853	32,850	255,703	6,861
Cash - restricted for refundable deposits	---	202,004	29,015	231,019	---
Total Current Assets	29,055	6,479,131	981,634	7,489,820	107,020
Noncurrent:					
Note receivable	19,949	---	---	19,949	---
Capital assets:					
Nondepreciable	162,599	2,382,604	239,436	2,784,639	---
Depreciable, net	162,344	25,673,498	3,324,961	29,160,803	320
Total Noncurrent Assets	344,892	28,056,102	3,564,397	31,965,391	320
Total Assets	373,947	34,535,233	4,546,031	39,455,211	107,340
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows-pension related	19,793	209,883	241,165	470,841	25,051
LIABILITIES					
Current:					
Accounts payable and accrued expenses	4,165	307,349	87,558	399,072	6,300
Refundable deposits - restricted assets	---	202,004	29,015	231,019	---
Accrued interest payable	---	143,308	---	143,308	---
Compensated absences payable	---	23,635	28,901	52,536	741
Current portion of long term debt	---	1,011,958	76,722	1,088,680	---
Total Current Liabilities	4,165	1,688,254	222,196	1,914,615	7,041
Noncurrent:					
Net pension liability	9,189	95,489	91,309	195,987	11,403
Landfill post-closure liability	1,837,512	---	---	1,837,512	---
Revenue bonds	---	13,276,447	---	13,276,447	---
Certificates of participation	---	2,145,818	---	2,145,818	---
Lease obligations payable	---	352,048	---	352,048	---
Compensated absences payable	---	482	21,545	22,027	---
Total Noncurrent Liabilities	1,846,701	15,870,284	112,854	17,829,839	11,403
Total Liabilities	1,850,866	17,558,538	335,050	19,744,454	18,444
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows-pension related	---	---	2,002	2,002	---
NET POSITION					
Net investment in capital assets	324,943	11,269,831	3,487,675	15,082,449	320
Restricted for debt service	---	609,627	---	609,627	---
Unrestricted	(1,782,069)	5,307,120	962,469	4,487,520	113,627
Total net position	\$ (1,457,126)	\$ 17,186,578	\$ 4,450,144	\$ 20,179,596	\$ 113,947

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City of Maryville, Missouri

Statement of Revenues, Expenses, and Changes in Net Position

Proprietary Funds

For the Year Ended September 30, 2016

	Solid Waste Fund	Water and Sewer Fund	Mozingo Recreation Fund	Totals	Governmental Activities - Internal Service Funds
Operating Revenues:					
Charges for services	\$ 202,679	\$ 4,756,534	\$ 1,188,774	\$ 6,147,987	\$ 1,124,792
Miscellaneous	265	12,318	14,714	27,297	14,985
Total Operating Revenues	202,944	4,768,852	1,203,488	6,175,284	1,139,777
Operating Expenses:					
Personnel	72,626	647,370	902,590	1,622,586	64,988
Contractual services	152,118	1,660,129	500,319	2,312,566	1,006,005
Commodities	2,222	239,702	396,326	638,250	69,410
Depreciation	35,759	1,756,258	256,215	2,048,232	630
Total Operating Expenses	262,725	4,303,459	2,055,450	6,621,634	1,141,033
Operating income (loss)	(59,781)	465,393	(851,962)	(446,350)	(1,256)
Nonoperating Revenues (Expenses):					
Taxes	---	---	970,447	970,447	---
Intergovernmental and contributions	---	40,097	---	40,097	---
Interest income	86	15,423	1,135	16,644	---
Insurance recovery	---	54,972	---	54,972	---
Other	---	---	100,000	100,000	---
Gain (loss) on sale of capital assets	49,642	(350)	---	49,292	---
Interest expenses and fees	---	(643,465)	(5,833)	(649,298)	---
Total Nonoperating Revenues (Expenses)	49,728	(533,323)	1,065,749	582,154	---
Income (loss) before capital contributions and transfers	(10,053)	(67,930)	213,787	135,804	(1,256)
Transfers in	45,368	---	---	45,368	---
Transfers out	---	---	(30,751)	(30,751)	---
Capital contributions	---	---	78,926	78,926	---
Change in net position	35,315	(67,930)	261,962	229,347	(1,256)
Total Net Position - Beginning	(1,492,441)	17,254,508	4,188,182	19,950,249	115,203
Total Net Position - Ending	\$ (1,457,126)	\$ 17,186,578	\$ 4,450,144	\$ 20,179,596	\$ 113,947

City of Maryville, Missouri

Statement of Cash Flows

Proprietary Funds

For the Year Ended September 30, 2016

	Solid Waste Fund	Water and Sewer Fund	Mozingo Recreation Fund	Totals	Governmental Activities - Internal Service Funds
Cash Flows from Operating Activities:					
Cash received from customers	\$ 218,858	\$ 4,736,714	\$ 1,188,774	\$ 6,144,346	\$ 1,142,580
Cash paid to suppliers	(209,725)	(1,907,201)	(907,234)	(3,024,160)	(1,077,453)
Cash paid to employees	(70,629)	(615,511)	(864,825)	(1,550,965)	(62,123)
Other operating	---	(47,305)	3,789	(43,516)	---
Net Cash Provided by (used in) Operating Activities	(61,496)	2,166,697	(579,496)	1,525,705	3,004
Cash Flows from Non-Capital Financing Activities:					
Sales tax	---	---	981,497	981,497	---
Intergovernmental and contributions	---	40,097	97,333	137,430	---
Transfers to other funds	45,368	---	(30,751)	14,617	---
Net Cash Provided by Non-Capital Financing Activities	45,368	40,097	1,048,079	1,133,544	---
Cash Flows from Capital and Related Financing Activities:					
Purchase of capital assets	---	(1,108,892)	(545,078)	(1,653,970)	---
Sale of capital assets	15,000	---	---	15,000	---
Insurance recovery	---	54,972	---	54,972	---
Principal payments received on note receivable	1,113	---	---	1,113	---
Principal payments on capital debt	---	(987,863)	(98,476)	(1,086,339)	---
Interest received on note receivable	87	---	---	87	---
Interest paid on capital debt	---	(646,450)	(5,833)	(652,283)	---
Net Cash Provided by (used in) Capital and Related Financing Activities	16,200	(2,688,233)	(649,387)	(3,321,420)	---
Cash Flows from Investing Activities:					
Maturity of investments	---	25,050	---	25,050	---
Income received on investments	---	15,423	1,135	16,558	---
Net Cash Provided by Investing Activities	---	40,473	1,135	41,608	---
Net Increase (Decrease) in Cash and Cash Equivalents	72	(440,966)	(179,669)	(620,563)	3,004
Cash and Cash Equivalents, beginning of year	150	4,882,053	749,223	5,631,426	93,781
Cash and Cash Equivalents, end of year	\$ 222	\$ 4,441,087	\$ 569,554	\$ 5,010,863	\$ 96,785

(continued)

City of Maryville, Missouri

Statement of Cash Flows (Continued)

Proprietary Funds

For the Year Ended September 30, 2016

	Solid Waste Fund	Water and Sewer Fund	Mozingo Recreation Fund	Totals	Governmental Activities - Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash					
Provided by (used in) Operating Activities:					
Operating income (loss)	\$ (59,781)	\$ 465,393	\$ (851,962)	\$ (446,350)	\$ (1,256)
Adjustments to reconcile operating income (loss)					
to net cash provided by (used in) operating activities:					
Depreciation	35,759	1,756,258	256,215	2,048,232	630
Net pension asset	17,094	165,199	192,556	374,849	19,427
Deferred outflows	(11,366)	(134,867)	(156,394)	(302,627)	(16,403)
Deferred inflows	---	---	54	54	---
Landfill post-closure expense	(45,460)	---	---	(45,460)	---
Change in assets and liabilities:					
Receivables	15,914	(79,443)	(10,925)	(74,454)	2,803
Prepaid expenses	2,177	(489)	1,678	3,366	(87)
Inventory	---	(14,908)	(3,872)	(18,780)	(2,436)
Accounts payable and accrued expenses	(12,102)	(1,065)	(14,045)	(27,212)	485
Compensated absences	(3,731)	1,527	1,549	(655)	(159)
Refundable deposits	---	9,092	5,650	14,742	---
Net Cash provided by (used in) Operating Activities	<u>\$ (61,496)</u>	<u>\$ 2,166,697</u>	<u>\$ (579,496)</u>	<u>\$ 1,525,705</u>	<u>\$ 3,004</u>
Reconciliation of cash and cash equivalents to specific assets on the statement of net assets:					
Cash, cash equivalents and investments	\$ 222	\$ 5,238,083	\$ 540,539	\$ 5,778,844	\$ 96,785
Restricted cash and cash equivalents	---	202,004	29,015	231,019	---
Less: Investments in certificates of deposit	---	(999,000)	---	(999,000)	---
Cash and cash equivalents, end of year	<u>\$ 222</u>	<u>\$ 4,441,087</u>	<u>\$ 569,554</u>	<u>\$ 5,010,863</u>	<u>\$ 96,785</u>
Supplemental disclosure of cash flow information:					
Noncash investing, capital and financing activities:					
Change in capital asset acquisitions through					
accounts payable	\$ ---	\$ (205,655)	\$ (10,382)	\$ (216,037)	\$ ---
Note receivable	34,642	---	---	34,642	---
Contributed capital assets	---	---	50,000	50,000	---
Amortization of bond premiums and discounts, net as a component of interest expense	<u>\$ ---</u>	<u>\$ 1,240</u>	<u>\$ ---</u>	<u>\$ 1,240</u>	<u>\$ ---</u>
Change in landfill post-closure valuation liability	<u>\$ (45,460)</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ (45,460)</u>	<u>\$ ---</u>
Change in net pension asset (liability)	<u>\$ 17,094</u>	<u>\$ 165,199</u>	<u>\$ 192,556</u>	<u>\$ 374,849</u>	<u>\$ 19,427</u>

City of Maryville, Missouri
Statement of Fiduciary Net Position

Fiduciary Fund

September 30, 2016

	Agency Fund
ASSETS	
Cash, cash equivalents and investments	\$ 6,359
Total Assets	\$ 6,359
LIABILITIES	
Court bonds payable	6,359
Total Liabilities	6,359
NET POSITION	
Net Position	\$ ---

City of Maryville, Missouri

Notes to Basic Financial Statements

1. Summary of Significant Accounting Policies:

The City of Maryville, Missouri (the City) was incorporated in 1869 and covers an area of approximately 4.4 square miles in Nodaway County, Missouri approximately 95 miles north of Kansas City, Missouri. The City is a city of the third class and operates under the Council-Manager form of government. The City Manager is the chief administrative officer of the City. The City provides services to its 11,972 residents, including law enforcement, fire protection, water and sewer services, community enrichment and development, and various social services. The Maryville R-II School District, a separate governmental entity, provides educational services.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the more significant policies.

Financial Reporting Entity

The City's relationship to other legally separate organizations has been examined to determine if their inclusion in the City's basic financial statements is necessary to fairly present the financial position and activities of the City. The criteria used in this determination included an examination of the nature and significance of the organization's relationship with the City, financial benefit or burden to the City, the ability of the City Council to appoint members of the governing board, and the level of influence the City has over the activities of the organization. Based on these criteria, the following related organization has been excluded from the accompanying financial statements:

Maryville Public Library (the Library) – The City's mayor appoints all members of the Library's Board, but a board member cannot be removed except for specific acts (illegal acts, etc.). The Library is able to establish and approve its own budget and legally set its own fees and charges for services. Therefore, although the City appoints all members of the Library board, the Library is able to act independently without City oversight, and is not included within the City's reporting entity.

Government-Wide and Fund Financial Statements:

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. 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 are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported as general revenues.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenue reported for the various functions concerned.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of fund financial statements is on major funds. Major individual governmental funds and major individual enterprise

City of Maryville, Missouri

Notes to Basic Financial Statements

1. Summary of Significant Accounting Policies, continued

funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

Fund Accounting:

The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, reserves, fund balance/net position, revenues and expenditures or expenses, as appropriate. The City has the following funds:

Governmental Fund Types:

Governmental Funds are those through which most governmental functions of the City are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets and liabilities, the fund equity, is referred to as "fund balance". The measurement focus is upon determination of changes in financial position, rather than upon net income. The following are the City's major governmental funds:

The **General Fund** is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than certain capital projects that are legally restricted to expenditures for specific projects).

The **Park and Recreation Fund** is a Special Revenue Fund used to account for the maintenance and improvement of all City park facilities and the development and supervision of various recreation programs. The Parks Fund is financed by a 1/8 cent sales tax and charges for services.

The **Capital Improvements Fund** is a Capital Projects Fund used to account for all resources used in the acquisition and construction of capital facilities and other capital assets, with the exception of those that are financed through proprietary funds. The Capital Improvements Fund of the City is used to account for transactions related to projects primarily financed through the City's 1/2 cent sales tax for capital improvements.

The other governmental funds of the City are considered nonmajor and are as follows:

The **Debt Service Fund** is used to account for the servicing of the general long-term debt of the City.

The **Tax Increment Financing Fund** is a Special Revenue Fund, created to account for the issuance of TIF revenue bonds used to pay construction costs and developments of the Maryville Town Center project. Monies received from the tax increment will be used to retire the tax increment bonds issued.

Permanent Funds are permanent funds used to account for and report resources to the extent that only the earnings, and not principal, may be used for purposes that support the City's programs. The Permanent Fund of the City is the Oak Hill Cemetery Perpetual Care Trust Fund.

City of Maryville, Missouri

Notes to Basic Financial Statements

1. Summary of Significant Accounting Policies, continued

Proprietary Fund Types

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

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The Enterprise Funds of the City are all major funds and consist of the Solid Waste Fund, Water and Sewer Fund and the Mozingo Recreation Fund.

Additionally, the City reports the following fund types:

Internal Service Funds account for fleet management and health insurance services provided to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The Internal Service Funds of the City are the Central Garage Fund and the Group Insurance Fund.

Fiduciary Fund Types

Fiduciary Funds account for assets held by the City in a trustee capacity or as an agent on behalf of others.

Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. These funds are used to account for assets that the City holds for others in an agency capacity. The Agency Funds of the City are the Municipal Court Fund, the PILOT Fund, and the Library Tax Fund.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and trust fund financial statements. Agency funds are also recorded on the accrual basis of accounting but do not have a measurement focus. 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 have been met.

Governmental fund 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. The City considers revenue 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.

Property taxes, sales and franchise taxes, reduced by an appropriate allowance for uncollectible taxes, 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 the City receives cash.

Property taxes are recognized as a receivable at the time they become an enforceable legal claim. Property taxes are levied each year on all taxable real and personal property in the City. The City's property tax is

City of Maryville, Missouri

Notes to Basic Financial Statements

1. Summary of Significant Accounting Policies, continued

levied each October on the assessed value as of the prior January 1. On January 1, a lien attached to all property for which taxes are unpaid.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided 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.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the City's enterprise and internal service funds are charges for customer services including: water, sewer, solid waste fees, and golf and recreation fees at Mozingo Lake. Operating expenses for enterprise funds and internal service funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Cash and Investments

The City pools cash resources of its various funds in order to facilitate the management of cash. Income from the pooled cash is allocated to individual funds based on the fund's average cash balance and legal requirements. Each fund's portion of total cash and investments is reported as such within this report. Some investments are separately held by certain funds, while other investments are allocated between two or more funds. Investments are reported at fair value. Investments authorized by the City's investment policy include collateralized certificates of deposit and money market accounts, and direct obligations of the U.S. Government with maturities of two years or less.

Cash and Cash Equivalents

For purposes of the financial statements, including the cash flow statement, the City considers all accounts subject to withdrawal by check or on demand to be cash and cash equivalents. Certificates of deposit and money market mutual funds are considered to be investments.

Restricted Assets

Cash in the Water/Sewer Fund is restricted for repayment of refundable water deposits. Cash in the Mozingo Recreation Fund is restricted for repayment of refundable deposits for cabin reservations.

Receivables

Receivables result primarily from miscellaneous services provided to citizens in the governmental funds. Water, sewer and solid waste services are accounted for in the Water/Sewer and Solid Waste Funds. All are net of an allowance for uncollectibles.

Inventory

Inventories are stated at the lower of cost or market. Cost is determined using the first-in, first-out method. Inventory usage is recognized on the consumption method.

Capital Assets

The City's capital assets include land, construction in progress, buildings, improvements other than buildings, machinery and equipment and infrastructure reported in the applicable governmental or business-type

City of Maryville, Missouri

Notes to Basic Financial Statements

1. Summary of Significant Accounting Policies, continued

activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 and an initial useful life of one year or greater. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The City has not capitalized general governmental infrastructure assets purchased or constructed prior to October 1, 2003 as allowed by Governmental Accounting Standards Board Statement No. 34.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest, if significant, incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during the year ended September 30, 2016.

Depreciation has been provided over the estimated useful lives of the respective assets using the straight-line method. The estimated useful lives for each capital asset type are as follows:

Improvements other than buildings	10 to 30 years
Buildings	10 to 25 years
Machinery and equipment	3 to 10 years
Sewer mains, lines and treatment plant	10 to 40 years
Water wells, reservoirs, main and lines	10 to 40 years
Golf course improvements	10 to 20 years

Interfund Transactions

Transactions among City funds that would be treated as revenues and expenditures or expenses if they involved organizations external to City government are accounted for as revenues and expenditures or expenses in the funds involved.

Transactions, which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended, are separately reported in the respective funds' operating statements.

Compensated Absences

The City's vacation policy grants an employee twelve days of vacation after six months of service and the vacation increases for every five years of service to the City. Accumulated vacation days are limited to 150% of the employee's yearly accrual. All vacation hours over the maximum shall be lost and shall have no value. Unused vacation hours are paid if an employee resigns in good standing after at least six months of service.

After employment for six months, employees are allowed to accumulate four hours of sick leave per pay period up to a maximum of 720 hours. Employees may not use more than three days sick pay at a time without notice from a doctor. All sick pay is forfeited upon termination of employment and therefore, is not included in compensated absences payable.

For proprietary fund types and the Government-wide statements, these accumulations are recorded as expenses and liabilities of the appropriate fund in the fiscal year earned. For governmental fund types, the amount of accumulated unpaid vacation which is payable from available resources is recorded as a liability of

City of Maryville, Missouri

Notes to Basic Financial Statements

1. Summary of Significant Accounting Policies, continued

the respective fund only if they have matured, for example, as a result of employee retirements and resignations.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Fund Balance Policies

The City's policy is to report the fund balance in the following categories, when applicable, listed from the most restrictive to the least restrictive:

Nonspendable -- The portion of fund balance that is legally or contractually required to be maintained. It is not in spendable form, which includes items that are not expected to be converted to cash in the normal course of business, such as inventory, prepaids, supplies, and long-term receivables.

Restricted -- The portion of fund balance that is subject to external enforceable legal restrictions.

Committed -- The portion of fund balance with self-imposed constraints or limitations that have been imposed by formal action (ordinance) of the City Council. Such constraint is binding unless modified or rescinded by formal action (ordinance) of the City Council.

Assigned -- The portion of fund balance that the City intends to use for a specific purpose, intent expressed by the City Manager to which the City Council has designated authority by policy passed by resolution.

Unassigned -- Amounts that are available for any purpose, these positive amounts are reported only in the General Fund.

When both restricted and unrestricted resources are available, the City will spend the most restricted amounts before the least restricted, in the following order:

- a. Non-spendable (if funds become spendable)
- b. Restricted
- c. Committed
- d. Assigned
- e. Unassigned

The fund balance of the City's General Fund has been accumulated to provide stability and flexibility to respond to unexpected adversity and/or opportunities.

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

City of Maryville, Missouri

Notes to Basic Financial Statements

1. Summary of Significant Accounting Policies, continued

Long-Term Obligations

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 position. Bond premiums and discounts are deferred and amortized over the life of the bonds using a method which approximates the effective interest method.

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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City currently has deferred outflows related to the pension.

In addition to the liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has deferred inflows related to the pension.

Pensions

For purposes of measuring the net pension asset (liability), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri Local Government Employees Retirement System (LAGERS) and additions to/deductions from LAGERS fiduciary net position have been determined on the same basis as they are reported by LAGERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

2. Deposits and Investments

Authorized Investments

Missouri State Statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. Agencies, obligations of state and local government entities, certificates of deposit, repurchase agreements and money market mutual funds. As of September 30, 2016, the City's funds were in depository accounts, certificates of deposit, and money market mutual funds.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer maturity of an investment means the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits investment maturities to 24 months. As of September 30,

City of Maryville, Missouri

Notes to Basic Financial Statements

2. Deposits and Investments, continued:

2016, the City has \$973 invested in money market mutual funds in which funds may be withdrawn at any time, and \$1,473,500 in certificates of deposit.

Credit Risk

Generally, credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City does not have a policy regarding credit risk. As of September 30, 2016, the City's investments in money market mutual funds were rated Aaa and AAA by Moody's Investor Services and Standard and Poor's, respectively.

Concentration of Credit Risk

The City's investment policy is to apply the prudent-person rule: Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The City's investment in money market mutual funds are not subject to concentration of credit risk.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure to the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City's investment policy requires all investments and deposits which exceed the financial institution's insurance limits shall be secured by eligible collateral. The fair value of the collateral must be equal to or greater than 110% of the value of the total deposits less the amount of insurance coverage. Collateral must be held by an independent third party. As of September 30, 2016 the City was not exposed to custodial credit risk for deposits. The City's investment in money market mutual funds are not subject to custodial credit risk.

The City's investments during the year did not vary substantially from those at year-end in amounts or level of risk.

Fair Value Measurements

The City classifies its fair value measurements within the fair value hierarchy established by accounting principles generally in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The inputs and methodologies used for valuing investment securities are not necessarily an indication of risk associated with investing in those securities.

City of Maryville, Missouri

Notes to Basic Financial Statements

2. Deposits and Investments, continued:

The City has the following recurring fair value level measurements as of September 30, 2016:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
Money market funds	\$ 973	973	-	-
Total Investments By Fair Value Level	<u>973</u>	<u>973</u>	<u>-</u>	<u>-</u>
Investments not subject to fair value level classification:				
Certificates of deposit	<u>1,473,500</u>			
Total Primary Government Investments	<u>\$ 1,474,473</u>			

3. Accounts Receivable

Taxes receivables as of year end for the government's individual major funds and nonmajor funds, including the applicable allowances for uncollectible accounts are as follows:

Governmental Funds:

	<u>General Fund</u>	<u>Park and Recreation Fund</u>	<u>Capital Improvements Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Taxes:					
Property taxes	\$ 7,968	\$ 8,734	\$ -	\$ 3,138	\$ 19,840
Sales taxes	251,928	30,453	121,809	30,453	434,643
Franchise taxes	<u>192,730</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>192,730</u>
Gross taxes	452,626	39,187	121,809	33,591	647,213
Less: Allowance for Uncollectibles	<u>(2,694)</u>	<u>(2,673)</u>	<u>-</u>	<u>(1,049)</u>	<u>(6,416)</u>
Total Taxes Receivables	<u>\$ 449,932</u>	<u>\$ 36,514</u>	<u>\$ 121,809</u>	<u>\$ 32,542</u>	<u>\$ 640,797</u>

Enterprise Funds:

	<u>Water and Sewer Fund</u>
Utility Receivable	\$ 708,646
Less: Allowance for Uncollectibles	<u>(13,756)</u>
Total Receivable	<u>\$ 694,890</u>

4. Capital Assets

The following is a summary of changes in capital assets for the year ended September 30, 2016

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 456,757	\$ -	\$ -	\$ 456,757
Construction in progress	<u>483,030</u>	<u>1,207,853</u>	<u>218,004</u>	<u>1,472,879</u>
Total capital assets not being depreciated	<u>939,787</u>	<u>1,207,853</u>	<u>218,004</u>	<u>1,929,636</u>

City of Maryville, Missouri

Notes to Basic Financial Statements

4. Capital Assets, continued:

Capital assets, being depreciated:				
Buildings	5,455,318	-	-	5,455,318
Improvements other than buildings	21,120,412	631,786	5,940	21,746,258
Machinery and equipment	3,798,166	121,848	29,925	3,890,089
Total capital assets being depreciated	<u>30,373,896</u>	<u>753,634</u>	<u>35,865</u>	<u>31,091,665</u>
Less accumulated depreciation for:				
Buildings	2,991,499	243,860	-	3,235,359
Improvements other than buildings	7,646,137	845,984	5,940	8,486,181
Machinery and equipment	2,519,166	290,794	29,925	2,780,035
Total accumulated depreciation	<u>13,156,802</u>	<u>1,380,638</u>	<u>35,865</u>	<u>14,501,575</u>
Total capital assets being depreciated, net	<u>17,217,094</u>	<u>(627,004)</u>	<u>-</u>	<u>16,590,090</u>
Governmental activities capital assets, net	<u>\$18,156,881</u>	<u>\$ 580,849</u>	<u>218,004</u>	<u>\$18,519,726</u>

Business Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 1,907,872	\$ -	\$ -	\$ 1,907,872
Intangible asset	165,854	74,450	-	240,304
Construction in progress	1,187,368	334,960	885,865	636,463
Total capital assets not being depreciated	<u>3,261,094</u>	<u>409,410</u>	<u>885,865</u>	<u>2,784,639</u>
Capital assets, being depreciated:				
Buildings	23,498,462	235,914	13,883	23,720,493
Improvements other than buildings	38,428,066	1,974,384	250,000	40,060,005
Machinery and equipment	6,352,813	101,547	104,845	6,441,960
Total capital assets being depreciated	<u>68,279,341</u>	<u>2,311,845</u>	<u>368,728</u>	<u>70,222,458</u>
Less accumulated depreciation for:				
Buildings	6,340,447	872,553	13,533	7,199,467
Improvements other than buildings	29,420,564	736,991	250,000	29,907,555
Machinery and equipment	3,576,865	482,613	104,845	3,954,633
Total accumulated depreciation	<u>39,337,876</u>	<u>2,092,157</u>	<u>368,378</u>	<u>41,061,655</u>
Total capital assets being depreciated, net	<u>28,941,465</u>	<u>219,688</u>	<u>350</u>	<u>29,160,803</u>
Business type activities capital assets, net	<u>\$ 32,202,559</u>	<u>\$ 629,098</u>	<u>\$ 886,215</u>	<u>\$ 31,945,442</u>

Depreciation expense was charged to governmental activities functions/programs as follows:

Governmental Activities:		Business-type Activities:	
General government	\$ 215,865	Solid Waste	\$ 35,759
Public safety	101,194	Water and Sewer	1,756,258
Public works	675,279	Mozingo Recreation	256,215
Parks and recreation	375,270		
Internal service	630	Total depreciation expense, business-type activities	<u>\$ 2,048,232</u>
Total depreciation expense, governmental activities	<u>\$ 1,368,238</u>		

City of Maryville, Missouri

Notes to Basic Financial Statements

4. Capital Assets, continued:

Equipment of \$29,925 and related accumulated depreciation of \$29,925 was transferred to business-type activities from governmental activities. Equipment of \$12,400 and related accumulated depreciation of \$12,400 was transferred to governmental activities from business-type activities.

5. Long-Term Debt

The following is a summary of changes in long-term debt for the year ended September 30, 2016:

	Balance September 30, 2015	Additions	Retirements	Balance September 30, 2016	Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 3,155,000	-	\$ 210,000	\$ 2,945,000	\$ 230,000
TIF revenue bonds	1,745,000	-	265,000	1,480,000	265,000
Certificates of participation	2,530,000	-	815,000	1,715,000	845,000
Premium	87,634	-	7,072	80,562	-
Notes payable	-	168,169	5,160	163,009	63,689
Compensated absences	171,362	173,967	163,304	182,025	181,882
	<u>\$ 7,688,996</u>	<u>\$ 342,136</u>	<u>\$ 1,465,536</u>	<u>\$ 6,565,596</u>	<u>\$ 1,585,571</u>
Business-Type Activities:					
Revenue bonds	\$ 14,680,000	-	\$ 600,000	\$ 14,080,000	\$ 620,000
Certificates of participation	2,375,000	-	115,000	2,260,000	115,000
Premium	31,350	-	10,723	20,627	-
Discount	(215,325)	-	(11,962)	(203,363)	-
Capital leases	1,077,068	-	371,339	705,729	353,680
Landfill post-closure liability	1,882,972	-	45,460	1,837,512	-
Compensated absences	75,218	50,250	50,905	74,563	52,536
	<u>\$ 19,906,283</u>	<u>\$ 50,250</u>	<u>\$ 1,181,465</u>	<u>\$ 18,775,068</u>	<u>\$ 1,141,216</u>

Internal Service Funds serve primarily the governmental funds, the long-term liabilities of which are included as part of the governmental activities. For the year ended September 30, 2016, \$741 of accrued compensated absences is included in the above amount. For the governmental activities, the General Fund and the Park and Recreation Fund generally liquidate accrued compensated absences.

Long-term debt (including the current portions) of the City is as follows:

Governmental Activities:

General Obligation Bonds:	Amount Outstanding
---------------------------	-----------------------

On April 21, 2009, the City issued \$4,220,000 of its General Obligation Refunding and Improvement Bonds, Series 2009 with interest rates ranging from 2.75% to 5.00%, maturing 2029 to (1) current refund the City's outstanding General Obligation Park Improvement Refunding Bonds, Series 1999 in the principal amount of \$470,000, (2) Advance refund the City's outstanding General Obligation Bonds, Series 2001 in the principal amount of \$1,855,000, and (3) pay the costs of the Project defined by the ordinance authorizing the Series 2009 Bonds. The principal amount of the Bonds was allocated as follows: \$465,000 was allocated to refund the Series 1999 Bonds, \$1,855,000 was allocated to refund the Series 2001 Bonds, and \$1,900,000 was allocated for the construction of the Project.

\$ 2,945,000

City of Maryville, Missouri

Notes to Basic Financial Statements

5. Long-Term Debt, continued:

Tax Increment Revenue Bonds:

\$1,745,000 of Tax Increment Refunding Revenue Bonds (Maryville Town Center Project I), Series 2015 were issued by the City on September 30, 2015 to redeem all of the City's outstanding Tax Increment Revenue Bonds (Maryville Town Center Project I), Series 2005. The 2015 bonds bear interest at a fixed rate of 3.75% and have a stated maturity date of March 1, 2026. Interest on the 2015 bonds is payable in semi-annual installments due on March 1 and September 1 in each year. There are no scheduled principal installments on the 2015 bonds. The 2015 bonds are payable from payments in lieu of taxes and economic activity tax revenue ("TIF Revenues"). Principal is payable on each March 1, in the amount of the TIF Revenues available after transfers are made to pay bond trustee fees, enforcement expenses of the City, interest due on the bonds and any reserve fund deficiency. The principal remaining on the 2015 bonds is \$1,480,000 payable through March 1, 2026, or such earlier date on which the principal is fully paid. For fiscal year 2016, the total principal and interest paid on the 2015 bonds was \$321,979 and the total of TIF Revenues received by the City was \$305,060.

1,480,000

Certificates of Participation:

\$3,560,000 in Certificates of Participation issued March 15, 2013, due in varying semi-annual installments through September 1, 2018, with interest at 2% due March 1 and September 1 of each year.

1,715,000

Note Payable:

In October 2015, the City entered into an agreement and note for \$48,687 to install energy efficient LED lighting in various City buildings. The note calls for monthly payments of \$1,158 with interest rates ranging from 6.16% to 9.17% until March 2020.

43,526

In August 2015, the City entered into an agreement and contract for up to \$493,216 with the State Transportation Assistance Revolving Fund to provide matching funds for the MoDOT airport runway improvements grant. The note calls for estimated annual payments of \$54,868 at 1.976% until July 2026. Final terms will be determined upon project completion.

119,483

Compensated absences 182,025

Total governmental activities \$ 6,485,034

Business-Type Activities:

Revenue Bonds:

On June 17, 2009, the City issued \$3,170,000 of its Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2009 with interest rates ranging from 2.75% to 4.00% to current refund the City's outstanding Combined Waterworks and Sewerage System Revenue Bonds, Series 1999A in the principal amount of \$4,000,000. Proceeds of the Bonds, along with transfers totaling \$914,000 from the funds and accounts established for the Series 1999A

City of Maryville, Missouri

Notes to Basic Financial Statements

5. Long-Term Debt, continued:

Bonds, provided for the payment of the principal of and interest on the Series 1999A Bonds when called for redemption.

The City has pledged future water/sewer customer revenues to repay the revenue bonds. Proceeds from the bonds provided financing for water treatment plant improvements. Annual principal and interest payments on the bonds are expected to require less than 35% of net revenues. The total principal and interest remaining to be paid on the bonds is \$832,400, payable through 2018. For the current year, principal and interest paid and total customer net revenues were \$414,350 and \$2,237,074 respectively.

\$ 785,000

On November 5, 2013, the City issued \$13,750,000 of its Combined Waterworks and Sewerage System Revenue Bonds, Series 2013. Proceeds from the Bonds will be used to construct a new mechanical wastewater treatment plant. Bonds are due in annual installments through January 1, 2033, with interest at 0.50% to 4.25% due January 1 and July 1 of each year.

13,295,000

Certificates of Participation:

On November 4, 2010, the City issued \$2,795,000 in Certificates of Participation, consisting of \$770,000 of tax exempt Series 2010A and \$2,025,000 of taxable Build America Bonds Series 2010B. Series 2010A bonds are due in annual installments through February 1, 2018, with interest at 2.75% to 3.0% due February 1 and August 1 of each year. Series 2010B bonds are due in annual installments starting 2019 through February 2031, with interest at 5.063% to 6.332% due February 1 and August 1 of each year starting February 1, 2011.

2,260,000

Capital Leases:

In June 2009, the City entered into an agreement to finance the construction of concrete golf cart paths to replace the existing deteriorated asphalt paths for a cost of \$700,000. The lease calls for monthly payments of \$8,692 at 4.485% until June 2017. The aggregate cost of the golf cart paths is \$748,447, less accumulated depreciation of \$280,665 results in a carrying value of \$467,782.

76,722

In July 2013, the City entered into an agreement to re-finance the acquisition and replacement of its membranes modules for all three (3) trains at the water treatment plant and one in the Capex building. The lease calls for monthly payments of \$23,704 at 1.49% until December 2018. The aggregate cost of the membranes is \$2,178,369, less accumulated depreciation of \$980,266 results in a carrying value of \$1,198,103.

629,007

Compensated Absences

74,563

Total business-type activities

\$ 17,120,292

City of Maryville, Missouri

Notes to Basic Financial Statements

5. Long-Term Debt, continued:

Annual debt service requirements for long-term liabilities at September 30, 2016 are as follows:

Governmental Activities:

Year Ending September 30,	Certificates of Participation		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2017	\$ 845,000	\$ 30,100	\$ 230,000	\$ 123,561
2018	870,000	13,050	270,000	112,311
2019	-	-	275,000	99,533
2020	-	-	300,000	86,830
2021	-	-	315,000	74,530
2022 - 2026	-	-	960,000	227,460
2027 - 2029	-	-	595,000	42,205
	<u>\$ 1,715,000</u>	<u>\$ 43,153</u>	<u>\$ 2,945,000</u>	<u>\$ 766,430</u>

Year Ending September 30,	Notes Payable	
	Principal	Interest
2017	\$ 11,335	\$ 2,565
2018	12,112	1,788
2019	12,943	957
2020	7,136	152
	<u>\$ 43,526</u>	<u>\$ 5,462</u>

Business-Type Activities:

Year Ending September 30,	Revenue Bonds	
	Principal	Interest
2017	\$ 620,000	\$ 487,215
2018	635,000	468,701
2019	660,000	444,280
2020	670,000	429,808
2021	695,000	412,726
2022 – 2026	3,785,000	1,735,088
2027 – 2031	4,515,000	994,930
2032 – 2033	2,500,000	107,006
	<u>\$ 14,080,000</u>	<u>\$ 5,079,754</u>

Year Ending September 30,	Capital Leases		Certificates of Participation	
	Principal	Interest	Principal	Interest
2017	\$ 353,680	\$ 8,924	\$ 115,000	\$ 125,504
2018	281,149	3,331	120,000	122,273
2019	70,900	176	125,000	117,459
2020	-	-	130,000	111,003
2021	-	-	130,000	103,999
2022 – 2026	-	-	735,000	399,670
2027 – 2031	-	-	905,000	148,010
	<u>\$ 705,729</u>	<u>\$ 12,431</u>	<u>\$ 2,260,000</u>	<u>\$ 1,127,918</u>

City of Maryville, Missouri

Notes to Basic Financial Statements

5. Long-Term Debt, continued:

Debt Covenants

The covenants providing for the issuance of the Combined Waterworks and Sewerage Refunding Revenue Bonds issued in 2009 and the Combined Waterworks and Sewerage Revenue Bonds issued in 2013 are as follows:

The City will fix, establish, maintain and collect such rates and charges for the use and services furnished by or through the system to produce revenues sufficient to:

- i. Pay the costs of operation and maintenance
- ii. Pay the principal and interest on the bonds
- iii. Enable the City to have Net Revenues Available for Debt Service not less than 110% of the amount required to be paid in principal and interest of the fiscal year on all system revenue bonds outstanding
- iv. Provide reasonable and adequate reserves for the payment of the bonds

With respect to the 2009 Combined Waterworks and Sewerage Refunding Revenue Bonds and the 2013 Combined Waterworks and Sewerage System Revenue Bonds, the City is required to make the following deposits to both the 2009 debt service account and the 2013 debt service account:

- i. The City will deposit monthly payments not less than 1/6th of the interest that will be the succeeding interest payment and monthly payments not less than 1/12th of the next principal payment.

On September 30, 2016, the City has the following account balances relating to its combined waterworks and sewerage system revenue bonds:

2009 Debt service account	\$ 104,100
2013 Debt service account	290,527
Operation and maintenance account	<u>215,000</u>
Total	<u>\$ 609,627</u>

6. Interfund Transfers

Interfund transfers for the year were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental activities:		
Major Governmental Funds:		
General	\$ -	\$ 106,870
Park and Recreation	-	7,688
Capital Improvements	-	30,751
Nonmajor Governmental Funds:		
TIF	138,380	-
Debt Service	-	7,688
Total governmental activities	<u>\$ 138,380</u>	<u>\$ 152,997</u>
Business-type activities:		
Solid Waste	\$ 45,368	-
Mozingo Recreation	-	30,751
Total business-type activities	<u>\$ 45,368</u>	<u>\$ 30,751</u>
Total interfund transfers	<u>\$ 183,748</u>	<u>\$ 183,748</u>

City of Maryville, Missouri

Notes to Basic Financial Statements

6. Interfund Transfers, continued:

Transfers are used to 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them or 2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The General Fund was reimbursed for administrative expenses by the Enterprise Funds in the amount of \$230,642. This reimbursement is recorded as an operating expense by the Enterprise Funds and as revenue by the General Fund.

7. Operating Lease

The City has a lease for golf carts dated September 2013 for a period through October 2017. This lease does not meet the criteria for capitalization and, accordingly, accounts for this lease as an operating lease. The future minimum lease payments required for the lease are as follows:

<u>Year Ending September 30</u>	<u>Amount</u>
2017	\$ 38,220
2018	3,185
Total	<u>\$ 41,405</u>

8. Risk Management

The City is a member of the Missouri Intergovernmental Risk Management Association (the Association), a not-for-profit organization incorporated in 1981 to operate as a group self-insurer. The Association seeks to prevent or lessen casualty or property losses to its members, which consist of cities within the State of Missouri. The Association has approximately 80 members. The Association is governed by a 9 member board of directors elected by the members of the Association. The Association operates as a risk management pool. The City has no direct control over budgeting, financing, governing body, or management.

The Association is funded by its member cities. Member assessments are collected in advance and are calculated based on members' payroll data multiplied by a pool assessment factor. The assessment factor is based on the loss experience of the entire pool. A city's total assessment may be adjusted through debit or credit based on claims experience or the property value to payroll ratio. Coverage obtained by the City through the Association includes commercial property, boiler, & machinery; comprehensive liability for bodily injury, property damage, personal & advertising injury, errors & omissions, & auto; crime; worker's compensation; auto physical damage; & employment practices. Per-occurrence coverage limits provided by the Association, which include the Association's self-insured retention limits combined with excess insurance contracts limits, vary by coverage type. Losses from individual claims in excess of these limits remain the responsibility of the respective cities. Management of the City is not aware of any deficit situations in the Association that would require an accrual of a liability as of September 30, 2016.

In the unlikely event that all or any of the insurance companies cancel, fail to renew, or are unable to meet their obligations under excess insurance contracts, the Association and its member cities would be responsible for such defaulted amounts. Additionally, the Articles of the Association provide for supplemental assessments in the event the annual assessment is not sufficient to meet obligations.

The City is commercially insured for health, dental, and life insurance. Settled claims have not exceeded coverage in any of the last three fiscal years.

City of Maryville, Missouri

Notes to Basic Financial Statements

9. Post-Closure Care Cost

State and federal laws and regulations require the City to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The City closed the landfill effective October 28, 2008. The \$1,837,512 reported as landfill post-closure liability at September 30, 2016, represents the City's Financial Assurance Instrument (FAI) in its Contract of Obligation with Missouri Department of Natural Resources, and is based on the cost to perform all post-closure care. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The City is required by state and federal laws and regulations to provide a financial assurance instrument in such amount and form as prescribed by the State of Missouri Department of Natural Resources (DNR). The City is in compliance with these requirements, and at September 30, 2016, the City was under a "Contract of Obligation" totaling \$1,837,512. The "Contract of Obligation" authorizes DNR to collect \$1,837,512 from any funds due the City from the Missouri Department of Revenue and the State Treasurer to compensate for State corrective procedures if the City does not properly close and monitor the landfill. After the sixth anniversary of the beginning of the post-closure care period, DNR will annually allow the City to decrease the FAI in an amount equal to the estimated post-closure care cost for the previous twelve months, provided the FAI is sufficient to cover the costs for the remaining post-closure care period plus five years.

10. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Section 457. The plan, available to all regular full-time City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to the employees or their beneficiaries until termination, retirement, death or an unforeseeable emergency.

All amounts of compensation deferred under the plan and all income attributable to those amounts are (until paid or made available to the employee or other beneficiary) held in trust for the exclusive benefit of plan participants and/or beneficiaries in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of City management that the City has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

11. Missouri LAGERS Defined Benefit Pension Plan

General Information about the Pension Plan

Plan Description

The City defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with 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 is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

City of Maryville, Missouri

Notes to Basic Financial Statements

11. Missouri LAGERS Defined Benefit Pension Plan, continued:

Benefits Provided

LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance.

	<u>2016 Valuation</u>
Benefit Multiplier:	1.75%
Final Average Salary:	3 years
Member Contributions:	0%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees Covered by Benefit Terms

At June 30, 2016, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	35
Inactive employees entitled to but not yet receiving benefits	22
Active employees	<u>70</u>
	<u>127</u>

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. Employer contribution rates are 11.9% (General), 6.0% (Police) and 4.3% (Fire) of annual covered payroll.

Net Pension Liability

The employer's net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 29, 2016.

Actuarial Assumptions

The total pension liability in the February 29, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation; 2.5% price inflation
Salary Increase	3.25% to 6.55% including wage inflation
Investment rate of return	7.25% net of investment expenses

The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

City of Maryville, Missouri

Notes to Basic Financial Statements

11. Missouri LAGERS Defined Benefit Pension Plan, continued:

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 29, 2016 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	43.00%	5.00%
Fixed Income	26.00%	3.00%
Real Assets	21.00%	3.25%
Strategic Assets	10.00%	5.60%

Discount Rate

The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balances at 6/30/2015	\$ 12,081,299	\$ 13,480,136	\$ (1,398,837)
Changes for the year:			
Service Cost	306,906	-	306,906
Interest	874,371	-	874,371
Difference between expected and actual experience	(25,573)	-	(25,573)
Changes of assumptions	528,404	-	528,404
Contributions - employer	-	328,056	(328,056)
Net investment income	-	(9,897)	9,897
Benefit payments, including refunds	(349,669)	(349,669)	-
Administrative expense	-	(10,180)	10,180
Other changes	-	22,044	(22,044)
Net changes	1,334,439	(19,646)	1,354,085
Balances at 6/30/2016	\$ 13,415,738	\$ 13,460,490	\$ (44,752)

City of Maryville, Missouri

Notes to Basic Financial Statements

11. Missouri LAGERS Defined Benefit Pension Plan, continued:

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Total Pension Liability	\$ 15,593,060	\$ 13,415,738	\$ 11,647,248
Plan Fiduciary Net Position	13,460,490	13,460,490	13,460,490
Net Pension Liability/(Asset) (NPL)	\$ 2,132,570	\$ (44,752)	\$ (1,813,242)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2016 the employer recognized pension expense of \$594,338. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows
Differences in experience	\$ 24,409	\$ (111,639)	\$ (87,230)
Changes in assumptions	450,927	---	450,927
Excess (deficit) investment returns	1,208,166	---	1,208,166
Contributions subsequent to the measurement date*	86,160	---	86,160
Total	<u>\$ 1,769,662</u>	<u>\$ (111,639)</u>	<u>\$ 1,658,023</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending September 30, 2017.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended:	
2017	\$ 401,888
2018	401,888
2019	401,889
2020	262,329
2021	64,265
Thereafter	<u>39,604</u>
Total	<u>\$1,571,863</u>

Payable to the Pension Plan

At September 30, 2016, the City had no payable for outstanding amount of contributions to the pension plan required for the year ended September 30, 2016.

City of Maryville, Missouri

Notes to Basic Financial Statements

12. Commitments and Contingent Liabilities

As of September 30, 2016, the City was obligated on construction contracts and commitments as follows:

<u>Project Description</u>	<u>Fund</u>	<u>Commitment</u>	<u>Type of Commitment</u>
Building needs assessment	General	4,300	Engineering
S. Main design	General	148,427	Engineering
Airport runway	General	192,983	Engineering
Airport runway	General	2,070,224	Construction
Code books update	General	5,618	Services
Trails	Capital Improvements	3,643	Construction
Trails	Capital Improvements	1,833	Engineering
Sewer treatment facility	Water/Sewer	7,355	Engineering
SW Lift station report	Water/Sewer	16,977	Engineering
Sewer line projects	Water/Sewer	154,778	Construction
Water meter replacement	Water/Sewer	2,995,173	Construction
Water main extension	Water/Sewer	30,000	Construction
Sanitary sewer system	Water/Sewer	20,000	Construction
Water main extension	Mozingo Recreation	61,666	Construction
Sanitary sewer system	Mozingo Recreation	43,750	Construction

The City is subject to various litigation. Although the outcome of these matters is not presently determinable, the City believes the resolution of these issues will not have a material adverse effect on the financial condition of the City.

13. Fund Equity Deficit

At September 30, 2016 the Solid Waste (Enterprise) Fund had a deficit fund equity balance of \$1,457,126. The environmental liability determined by an engineering estimate is the primary cause of the deficit in the Solid Waste Fund.

14. Ground Lease

On September 11, 2002, the City and the Missouri National Guard (Guard) entered into a ground lease with Northwest Missouri State University for the land on which the armory/community center was built. In exchange for the use of the facility, the University is not charging rent to the Guard or the City. The term of the lease is 50 years with the title to the land remaining with the University.

15. Conduit Debt Obligations

The City issued Industrial Revenue Bonds during 2015 to provide financial assistance to the private sector entity, Kawasaki Motors Manufacturing Corp., U.S.A., for the purpose of acquiring, constructing, improving and equipping an approximately 100,800 square foot expansion of an existing manufacturing facility, deemed to be in the public interest. The bonds are secured by the property financed and are payable solely out of the rents, revenues and receipts derived by the City from the Project and the Lease. Upon repayment of the bonds, ownership of the acquired facility and equipment transfers to the private-sector entity served by the bond issuance. Neither the City, the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying basic financial statements. The 2015 Series is structured to pay the principal balance at

City of Maryville, Missouri

Notes to Basic Financial Statements

15. Conduit Debt Obligations, continued

maturity, December 1, 2025. At September 30, 2016, the total authorized amount is \$25,500,000 and the amount outstanding bonds was \$9,949,525.

16. Subsequent Events

In January 2017, the City passed an ordinance authorizing the issuance of \$7,580,000 of Certificates of Participation debt to construct a conference center at Mozingo Lake Recreation Park. The total debt issuance will also include funds for the water meter replacement project, and a portion of the capital projects and equipment described in the FY 2017 budget. The issue closed on January 19, 2017.

17. New Pronouncements

The City implemented the following Governmental Accounting Standards Board (GASB) statements during the year ended September 30, 2016:

- GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurement. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investment disclosures related to all fair value measurements. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2015.
- GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This statement is effective for financial statements beginning after June 15, 2015.

The Governmental Accounting Standards Board (GASB) had issued several statements not yet implemented by the City. The Statements which might impact the City are as follows:

- GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement replaces Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No. 50, *Pension Disclosures*. This statement is effective for financial statements for fiscal years beginning after June 15, 2016.
- GASB Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:

City of Maryville, Missouri

Notes to Basic Financial Statements

17. New Pronouncements, continued

- Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients,
- The gross dollar amount of taxes abated during the period,
- Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

This Statement is effective for financial statements for periods beginning after December 15, 2015.

Management has not yet determined the effect, if any, these Statements will have in the City's future financial statements.

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Required Supplementary Information

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City of Maryville, Missouri

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Year Ended September 30, 2016

	Budget			Final to Actual Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 4,073,465	\$ 4,073,465	\$ 4,100,927	\$ 27,462
Licenses and permits	75,395	75,395	70,560	(4,835)
Intergovernmental revenues	3,592,151	3,592,151	1,592,674	(1,999,477)
Charges for services	50,350	50,350	57,641	7,291
Fines and forfeitures	252,900	252,900	257,116	4,216
Interest	3,000	3,000	4,248	1,248
Other	55,755	55,755	161,553	105,798
Total Revenues	<u>8,103,016</u>	<u>8,103,016</u>	<u>6,244,719</u>	<u>(1,858,297)</u>
EXPENDITURES				
Current:				
General government	1,300,210	1,300,210	1,365,995	(65,785)
Public safety	2,290,841	2,290,841	2,172,098	118,743
Public works	5,279,358	5,279,358	1,353,020	3,926,338
Debt service:				
Principal retirement	---	---	5,160	(5,160)
Interest and fiscal charges	---	---	1,447	(1,447)
Total expenditures	<u>8,870,409</u>	<u>8,870,409</u>	<u>4,897,720</u>	<u>3,972,689</u>
Excess of revenues over (under) expenditures	<u>(767,393)</u>	<u>(767,393)</u>	<u>1,346,999</u>	<u>2,114,392</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(130,200)	(130,200)	(106,870)	23,330
Insurance recoveries	---	---	4,580	4,580
Notes payable issued	338,846	338,846	168,169	(170,677)
Total other financing sources (uses)	<u>208,646</u>	<u>208,646</u>	<u>65,879</u>	<u>(142,767)</u>
Net change in fund balances	<u>\$ (558,747)</u>	<u>\$ (558,747)</u>	<u>1,412,878</u>	<u>\$ 1,971,625</u>
Fund balances - Beginning			<u>1,796,345</u>	
Fund balances - Ending			<u>\$ 3,209,223</u>	

City of Maryville, Missouri

Required Supplementary Information Budgetary Comparison Schedule Park and Recreation Fund For the Year Ended September 30, 2016

	Budget			Final to Actual Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 811,500	\$ 811,500	\$ 834,269	\$ 22,769
Charges for services	522,350	522,350	531,538	9,188
Interest	400	400	1,175	775
Other	9,900	9,900	12,574	2,674
Total Revenues	1,344,150	1,344,150	1,379,556	35,406
EXPENDITURES				
Current:				
Park and recreation	1,337,850	1,337,850	1,187,938	149,912
Excess of revenues over (under) expenditures	6,300	6,300	191,618	185,318
OTHER FINANCING USES				
Transfers out	(6,300)	(6,300)	(7,688)	(1,388)
Total other financing sources (uses)	(6,300)	(6,300)	(7,688)	(1,388)
Net change in fund balances	\$ ---	\$ ---	183,930	\$ 183,930
Fund balances - Beginning			250,995	
Fund balances - Ending			\$ 434,925	

City of Maryville, Missouri

Required Supplementary Information Schedule of Changes in Net Pension Liability and Related Ratios For the Year Ended September 30, 2016

	FY 2015	FY 2016
Total Pension Liability		
Service Cost	\$ 300,444	\$ 306,906
Interest on the Total Pension Liability	823,571	874,371
Difference between expected and actual experience	(84,357)	(25,573)
Changes of Assumptions	---	528,404
Benefit Payments	(334,868)	(349,669)
Net Change in Total Pension Liability	704,790	1,334,439
Total Pension Liability Beginning	11,376,509	12,081,299
Total Pension Liability Ending (a)	<u>\$ 12,081,299</u>	<u>\$ 13,415,738</u>
Plan Fiduciary Net Position		
Contributions-employer	\$ 347,325	\$ 328,056
Pension Plan Net Investment income	253,794	(9,897)
Benefit Payments	(334,868)	(349,669)
Pension Plan Administrative expense	(11,372)	(10,180)
Other	197,366	22,044
Net Change in Plan Fiduciary Net Position	452,245	(19,646)
Plan Fiduciary Net Position Beginning	13,027,891	13,480,136
Plan Fiduciary Net Position Ending (b)	<u>\$ 13,480,136</u>	<u>\$ 13,460,490</u>
Employer Net Pension Liability (Asset) (a-b)	<u>\$ (1,398,837)</u>	<u>\$ (44,752)</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	111.58%	100.33%
Covered Employee Payroll (for February 28/29 Actuarial Valuation)	\$ 3,157,873	\$ 3,113,667
Employer's Net Pension Liability (Asset) as a percentage of covered employee payroll	-44.30%	-1.44%

Notes to schedule:

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.
The amounts noted above are as of the measurement date which is June 30 prior to the end of the fiscal year.

City of Maryville, Missouri

Required Supplementary Information Schedule of Pension Contributions Last Ten Fiscal Years

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Actuarially determined contribution	\$188,818	\$176,136	\$161,139	\$158,120	\$267,764	\$313,729	\$357,008	\$356,008	\$345,466	\$334,950
Contributions in relation to the actuarially determined contribution	188,818	176,136	161,139	158,120	190,162	308,810	357,008	355,620	345,466	334,950
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$77,602	\$4,919	\$0	\$388	\$0	\$0
Covered-employee payroll	\$2,793,244	\$2,830,250	\$2,987,615	\$3,115,190	\$3,094,761	\$2,900,862	\$3,111,651	\$3,085,234	\$3,266,142	\$3,393,104
Contributions as a percentage of covered-employee payroll	6.76%	6.22%	5.39%	5.08%	6.14%	10.65%	11.47%	11.53%	10.58%	9.87%

Notes to schedule:

Valuation date:

Actuarially determined contribution rates are calculated as of February 29 prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal and modified terminal funding
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Multiple bases from 13 to 25 years
Asset valuation method	5-year smoothed market; 20% corridor
Inflation	3.25% wage inflation; 2.50% price inflation
Salary increases	3.25% to 6.55% including wage inflation
Investment rate of return	7.25%, net of investment expenses
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables were the RP-2014 employees mortality table for males and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Other information

New assumptions adopted based on the 5-year experience study for the period March 1, 2010 through February 28, 2015.

City of Maryville, Missouri

Note to Required Supplementary Information

Budgetary Data

A legally adopted annual budget is prepared for governmental fund types by the City Manager and presented to Council each year prior to the beginning of the fiscal year. This budget is officially adopted by the City Council each September through the passage of an ordinance, and all budget amendments are approved by the City Council. All budgets are presented on the modified accrual basis of accounting. Accordingly, the budget schedules present actual expenditures in accordance with accounting principles generally accepted in the United States of America. The City's legal level of budgetary control is at the fund level. Any expenditure that will cause a fund to exceed the total fund budget must be approved by the City Council through a budget amendment ordinance. There was one budget amendment made to the original adopted budget. The amendment was made to increase expenditures in the Debt Retirement Fund, the TIF Fund, and the Central Garage Fund by a total of \$55,741, and transfers out in the Debt Retirement Fund increased by \$790. A review of the budget is done annually as part of the budget preparation process and any revisions needed are presented to the City Council for supplemental appropriation. Unencumbered appropriations lapse at year-end.

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Other Supplementary Information

Combining and Individual Fund Financial
Statements and Schedules

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City of Maryville, Missouri

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual Capital Improvements Fund For the Year Ended September 30, 2016

	Budget			Final to Actual Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 909,655	\$ 909,655	\$ 932,289	\$ 22,634
Intergovernmental revenues	124,778	124,778	87,162	(37,616)
Interest	150	150	140	(10)
Total Revenues	1,034,583	1,034,583	1,019,591	(14,992)
EXPENDITURES				
Capital Outlay	210,103	210,103	113,538	96,565
Debt service:				
Principal retirement	815,000	815,000	815,000	---
Interest and fiscal charges	54,463	54,463	52,090	2,373
Total expenditures	1,079,566	1,079,566	980,628	98,938
Excess of revenues over (under) expenditures	(44,983)	(44,983)	38,963	83,946
OTHER FINANCING SOURCES (USES)				
Transfers out	(27,605)	(27,605)	(30,751)	(3,146)
Net change in fund balances	\$ (72,588)	\$ (72,588)	8,212	\$ 80,800
Fund balances - Beginning			209,910	
Fund balances - Ending			\$ 218,122	

City of Maryville, Missouri

Combining Balance Sheet

Non-Major Governmental Funds

September 30, 2016

	Debt Service	Special Revenue	Permanent	Total
	Debt Retirement Fund	TIF Fund	Oak Hill Cemetery Perpetual Care Trust Fund	Non-Major Governmental Funds
ASSETS				
Cash, cash equivalents and investments	\$ 688,545	\$ 195,326	\$ 140,754	\$ 1,024,625
Receivables, net:				
Taxes	32,542	---	---	32,542
Accounts	---	9,539	---	9,539
Interest	---	437	---	437
Total Assets	<u>\$ 721,087</u>	<u>\$ 205,302</u>	<u>\$ 140,754</u>	<u>\$ 1,067,143</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenses	\$ ---	\$ 35	\$ ---	\$ 35
Total Liabilities	<u>---</u>	<u>35</u>	<u>---</u>	<u>35</u>
Fund Balances:				
Nonspendable:				
Endowment	---	---	115,431	115,431
Restricted for:				
Debt service	721,087	205,267	---	926,354
Municipal cemetery	---	---	25,323	25,323
Total Fund Balances	<u>721,087</u>	<u>205,267</u>	<u>140,754</u>	<u>1,067,108</u>
Total Liabilities and Fund Balances	<u>\$ 721,087</u>	<u>\$ 205,302</u>	<u>\$ 140,754</u>	<u>\$ 1,067,143</u>

City of Maryville, Missouri
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Non-Major Governmental Funds

For the Year Ended September 30, 2016

	Debt Service	Special Revenue	Permanent	Total
	Debt Retirement Fund	TIF Fund	Oak Hill Cemetery Perpetual Care Trust Fund	Non-Major Governmental Funds
REVENUES				
Taxes	\$ 435,600	\$ 166,680	\$ ---	\$ 602,280
Interest	1,395	632	629	2,656
Total Revenues	436,995	167,312	629	604,936
EXPENDITURES				
General government	---	670	---	670
Debt service:				
Principal retirement	210,000	265,000	---	475,000
Interest and fiscal charges	143,666	61,318	---	204,984
Total expenditures	353,666	326,988	---	680,654
Excess of revenues over (under) expenditures	83,329	(159,676)	629	(75,718)
OTHER FINANCING SOURCES (USES)				
Transfers in	---	138,380	---	138,380
Transfers out	(7,688)	---	---	(7,688)
Total other financing sources (uses)	(7,688)	138,380	---	130,692
Net change in fund balances	75,641	(21,296)	629	54,974
Fund balances - Beginning	645,446	226,563	140,125	1,012,134
Fund balances - Ending	\$ 721,087	\$ 205,267	\$ 140,754	\$ 1,067,108

City of Maryville, Missouri

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual Debt Service - Debt Retirement Fund For the Year Ended September 30, 2016

	Budget			Final to Actual
	Original	Final	Actual	Positive (Negative)
REVENUES				
Taxes	\$ 429,350	\$ 438,900	\$ 435,600	\$ (3,300)
Interest	650	1,260	1,395	135
Total Revenues	430,000	440,160	436,995	(3,165)
EXPENDITURES				
Debt service:				
Principal retirement	210,000	210,000	210,000	---
Interest and fiscal charges	143,513	143,782	143,666	116
Total expenditures	353,513	353,782	353,666	116
Excess of revenues over expenditures	76,487	86,378	83,329	(3,049)
OTHER FINANCING USES				
Transfers out	(6,900)	(7,690)	(7,688)	2
Net change in fund balances	\$ 69,587	\$ 78,688	75,641	\$ (3,047)
Fund balances - Beginning			645,446	
Fund balances - Ending			\$ 721,087	

City of Maryville, Missouri

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual TIF Project Special Revenue Fund For the Year Ended September 30, 2016

	Budget			Final to Actual Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 157,700	\$ 166,681	\$ 166,680	\$ (1)
Interest	60	184	632	448
Total Revenues	157,760	166,865	167,312	447
EXPENDITURES				
Capital Outlay:				
General government	670	670	670	---
Debt Service:				
Principal retirement	220,000	265,000	265,000	---
Interest and fiscal charges	59,735	61,318	61,318	---
Total expenditures	280,405	326,988	326,988	---
Excess of revenues under expenditures	(122,645)	(160,123)	(159,676)	447
OTHER FINANCING SOURCES (USES)				
Transfers in	124,210	138,380	138,380	---
Total other financing sources (uses)	124,210	138,380	138,380	---
Net change in fund balances	\$ 1,565	\$ (21,743)	(21,296)	\$ 447
Fund balances - Beginning			226,563	
Fund balances - Ending			\$ 205,267	

City of Maryville, Missouri

Combining Statement of Net Position

Internal Service Funds

September 30, 2016

	Central Garage Fund	Group Insurance Fund	Totals
ASSETS			
Current:			
Cash, and investments	\$ 6,778	\$ 90,007	\$ 96,785
Receivables, net:			
Other	---	624	624
Prepaid expense	2,750	---	2,750
Inventory	6,861	---	6,861
Total Current Assets	16,389	90,631	107,020
Noncurrent:			
Capital assets, net of accumulated depreciation	320	---	320
Total Noncurrent Assets	320	---	320
Total Assets	16,709	90,631	107,340
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows-pension related	25,051	---	25,051
LIABILITIES			
Current:			
Accounts payable and accrued liabilities	6,205	95	6,300
Compensated absences payable	741	---	741
Total Current Liabilities	6,946	95	7,041
Noncurrent:			
Net pension liability	11,403	---	11,403
Total Noncurrent Liabilities	11,403	---	11,403
Total Liabilities	18,349	95	18,444
NET POSITION			
Net investment in capital assets	320	---	320
Unrestricted	23,091	90,536	113,627
Total net position	\$ 23,411	\$ 90,536	\$ 113,947

City of Maryville, Missouri
Combining Statement of Revenues, Expenses,
and Changes in Net Position

Internal Service Funds

For the Year Ended September 30, 2016

	Central Garage Fund	Group Insurance Fund	Totals
Operating Revenues:			
Charges for services	\$ 146,632	\$ 978,160	\$ 1,124,792
Miscellaneous	---	14,985	14,985
Total Operating Revenues	<u>146,632</u>	<u>993,145</u>	<u>1,139,777</u>
Operating Expenses:			
Personnel	64,988	---	64,988
Contractual services	12,234	993,771	1,006,005
Commodities	69,410	---	69,410
Depreciation	630	---	630
Total Operating Expenses	<u>147,262</u>	<u>993,771</u>	<u>1,141,033</u>
Operating income (loss)	(630)	(626)	(1,256)
Total Net Position - Beginning	<u>24,041</u>	<u>91,162</u>	<u>115,203</u>
Total Net Position - Ending	<u>\$ 23,411</u>	<u>\$ 90,536</u>	<u>\$ 113,947</u>

City of Maryville, Missouri

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended September 30, 2016

	Central Garage Fund	Group Insurance Fund	Totals
Cash Flows from Operating Activities:			
Cash Received from Customers	\$ 146,632	\$ 995,948	\$ 1,142,580
Cash Paid to Suppliers	(83,777)	(993,676)	(1,077,453)
Cash Paid to Employees	(62,123)	---	(62,123)
Net Cash Provided by (used in) Operating Activities	<u>732</u>	<u>2,272</u>	<u>3,004</u>
Net Increase (Decrease) in Cash and Cash Equivalents	732	2,272	3,004
Cash and Cash Equivalents, beginning of year	<u>6,046</u>	<u>87,735</u>	<u>93,781</u>
Cash and Cash Equivalents, end of year	<u><u>\$ 6,778</u></u>	<u><u>\$ 90,007</u></u>	<u><u>\$ 96,785</u></u>
Reconciliation of Operating Income to Net Cash			
Provided by (used in) Operating Activities:			
Operating income (loss)	\$ (630)	\$ (626)	\$ (1,256)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	630	---	630
Net pension asset	19,427	---	19,427
Deferred outflows	(16,403)	---	(16,403)
Change in assets and liabilities:			
Other receivables	---	2,803	2,803
Prepaid expense	(87)	---	(87)
Inventory	(2,436)	---	(2,436)
Accounts payable and accrued expenses	390	95	485
Compensated absences	<u>(159)</u>	<u>---</u>	<u>(159)</u>
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ 732</u></u>	<u><u>\$ 2,272</u></u>	<u><u>\$ 3,004</u></u>

City of Maryville, Missouri
Combining Statement of Assets and Liabilities

Agency Funds
September 30, 2016

	Municipal Court Fund	Library Tax Fund	PILOT Fund	Total
ASSETS				
Cash, cash equivalents, and investments	\$ 6,359	\$ ---	\$ ---	\$ 6,359
Total Assets	<u>\$ 6,359</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 6,359</u>
LIABILITIES				
Court bonds payable	\$ 6,359	\$ ---	\$ ---	\$ 6,359
Total Liabilities	<u>\$ 6,359</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 6,359</u>

City of Maryville, Missouri

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended September 30, 2016

	Balance September 30, 2015	Additions	Deletions	Balance September 30, 2016
Municipal Court Fund				
Assets:				
Cash, cash equivalents, and investments	\$ 6,749	\$ 275,873	\$ 276,263	\$ 6,359
Total Assets	<u>\$ 6,749</u>	<u>\$ 275,873</u>	<u>\$ 276,263</u>	<u>\$ 6,359</u>
Liabilities:				
Court bonds payable	<u>\$ 6,749</u>	<u>\$ 275,873</u>	<u>\$ 276,263</u>	<u>\$ 6,359</u>
Library Tax Fund				
Assets:				
Cash, cash equivalents, and investments	\$ ---	\$ 245,023	\$ 245,023	\$ ---
Total Assets	<u>\$ ---</u>	<u>\$ 245,023</u>	<u>\$ 245,023</u>	<u>\$ ---</u>
Liabilities:				
Due to other governments	<u>\$ ---</u>	<u>\$ 245,023</u>	<u>\$ 245,023</u>	<u>\$ ---</u>
PILOT Fund				
Assets:				
Cash, cash equivalents, and investments	\$ ---	\$ 256,269	\$ 256,269	\$ ---
Total Assets	<u>\$ ---</u>	<u>\$ 256,269</u>	<u>\$ 256,269</u>	<u>\$ ---</u>
Liabilities:				
Due to other governments	<u>\$ ---</u>	<u>\$ 256,269</u>	<u>\$ 256,269</u>	<u>\$ ---</u>
Total				
Assets:				
Cash, cash equivalents, and investments	\$ 6,749	\$ 777,165	\$ 777,555	\$ 6,359
Total Assets	<u>\$ 6,749</u>	<u>\$ 777,165</u>	<u>\$ 777,555</u>	<u>\$ 6,359</u>
Liabilities:				
Court bonds payable	\$ 6,749	\$ 275,873	\$ 276,263	\$ 6,359
Due to other governments	<u>---</u>	<u>501,292</u>	<u>501,292</u>	<u>---</u>
Total Liabilities	<u>\$ 6,749</u>	<u>\$ 777,165</u>	<u>\$ 777,555</u>	<u>\$ 6,359</u>

**Statistical Section
(Unaudited)**

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City of Maryville, Missouri

Statistical Section
Contents

The statistical section of the City’s comprehensive annual financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information say about the City’s overall financial health.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	65 – 74
Revenue Capacity These schedules contain information to help the reader assess the City’s most significant local revenue sources, the property tax and sales tax.	75 – 81
Debt Capacity These schedules present information to help the reader assess the affordability of the City’s current level of outstanding debt and the City’s ability to issue additional debt in the future.	82 – 88
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	89 – 91
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services that the City provides and the activities it performs.	92 – 93

City of Maryville, Missouri

Net Position By Component Last Ten Fiscal Years (*accrual basis of accounting*) (*Unaudited*)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities:										
Net investment in capital assets	\$ 4,369,098	\$ 5,949,774	\$ 6,185,728	\$ 6,388,044	\$ 7,819,761	\$ 7,984,866	\$ 9,256,203	\$ 10,070,223	\$ 12,384,247	\$ 13,659,682
Restricted	953,509	1,201,217	1,392,988	1,866,593	2,649,575	2,704,827	2,028,658	2,033,051	1,476,049	1,623,075
Unrestricted	(1,207,956)	(881,601)	(43,187)	(304,162)	(195,542)	128,651	579,473	1,845,178	1,750,709	1,677,784
Total governmental activities net position	\$ 4,114,651	\$ 6,269,390	\$ 7,535,529	\$ 7,950,475	\$ 10,273,794	\$ 10,818,344	\$ 11,864,334	\$ 13,948,452	\$ 15,611,005	\$ 16,960,541
Business-type activities:										
Net investment in capital assets	\$ 13,670,414	\$ 12,683,513	\$ 12,904,914	\$ 12,684,104	\$ 12,574,685	\$ 12,427,605	\$ 13,718,139	\$ 14,347,365	\$ 14,279,517	\$ 15,082,449
Restricted	1,162,722	1,091,437	--	251,098	253,967	256,698	254,292	589,185	605,824	609,627
Unrestricted	1,055,910	2,967,868	4,272,990	4,135,749	4,863,131	5,265,594	4,071,046	3,874,555	5,064,908	4,487,520
Total business-type activities net position	\$ 15,889,046	\$ 16,742,818	\$ 17,177,904	\$ 17,070,951	\$ 17,691,783	\$ 17,949,897	\$ 18,043,477	\$ 18,811,105	\$ 19,950,249	\$ 20,179,596
Primary government:										
Net investment in capital assets	\$ 18,039,512	\$ 18,633,287	\$ 19,090,642	\$ 19,072,148	\$ 20,394,446	\$ 20,412,471	\$ 22,974,342	\$ 24,417,588	\$ 26,663,764	\$ 28,742,131
Restricted	2,116,231	2,292,654	1,392,988	2,117,691	2,903,542	2,961,525	2,282,950	2,622,236	2,081,873	2,232,702
Unrestricted	(152,046)	2,086,267	4,229,803	3,831,587	4,667,589	5,394,245	4,650,519	5,719,733	6,815,617	6,165,304
Total primary government net position	\$ 20,003,697	\$ 23,012,208	\$ 24,713,433	\$ 25,021,426	\$ 27,965,577	\$ 28,768,241	\$ 29,907,811	\$ 32,759,557	\$ 35,561,254	\$ 37,140,137

2014 amount was restated for implementation of GASB 68.

City of Maryville, Missouri

Changes in Net Position Last Ten Fiscal Years (*accrual basis of accounting*) (*Unaudited*)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses:										
Governmental activities:										
General government	\$ 430,629	\$ 1,547,491	\$ 844,858	\$ 1,061,500	\$ 502,630	\$ 1,098,756	\$ 1,102,420	\$ 872,047	\$ 1,346,176	\$ 1,602,647
Public safety	1,785,307	1,982,827	2,043,053	2,179,812	2,173,896	2,102,893	2,146,563	1,919,497	2,093,104	2,350,067
Public works	1,842,358	897,955	2,253,884	2,174,413	2,438,217	2,054,923	1,998,155	3,164,805	1,781,467	2,200,689
Park and recreation	1,336,385	1,317,098	1,368,933	1,672,139	1,655,649	1,736,145	1,728,542	1,713,593	1,487,910	1,485,858
Interest on long-term debt	281,927	281,591	399,091	400,762	402,338	373,431	389,857	368,199	446,699	249,968
Total governmental activities expenses	5,676,606	6,026,962	6,909,819	7,488,626	7,172,730	7,366,148	7,365,537	8,038,141	7,155,356	7,889,229
Business-type activities:										
Solid waste	644,904	719,249	754,271	758,319	948,629	1,137,210	562,525	418,168	309,452	262,725
Water/sewer utility	3,944,645	3,284,078	3,548,055	3,241,484	3,748,738	3,982,930	3,996,966	4,163,637	4,551,475	4,946,924
Mozingo Golf	1,565,417	1,688,031	1,665,136	2,036,812	2,013,424	2,089,024	1,908,341	1,995,356	2,072,049	2,061,283
Total business-type activities expenses	6,154,966	5,691,358	5,967,462	6,036,615	6,710,791	7,209,164	6,467,832	6,577,161	6,932,976	7,270,932
Total primary government expenses	11,831,572	11,718,320	12,877,281	13,525,241	13,883,521	14,575,312	13,833,369	14,615,302	14,088,332	15,160,161
Program revenue:										
Governmental activities:										
Charges for services:										
General government	393,894	358,886	386,139	396,289	565,200	467,611	376,968	458,213	410,008	395,292
Public safety	467,129	421,022	452,724	414,684	441,091	418,709	349,472	365,135	284,900	306,903
Public works	379,215	364,685	358,689	363,338	368,052	392,281	483,342	491,011	496,623	457,532
Park and recreation	479,106	480,262	467,269	541,611	918,550	585,590	521,037	546,345	522,971	531,538
Operating grants and contributions	19,901	123,740	32,270	152,545	154,075	112,576	110,251	19,802	780	25,714
Capital grants and contributions	503,111	1,828,000	1,002,892	606,339	1,440,742	133,298	605,224	658,383	1,004,714	1,282,890
Total governmental activities program revenue	2,242,356	3,576,595	2,699,983	2,474,806	3,887,710	2,110,065	2,446,294	2,538,889	2,719,996	2,999,869

City of Maryville, Missouri

Changes in Net Position Last Ten Fiscal Years (*accrual basis of accounting*) (*Unaudited*)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Business-type activities:										
Charges for services:										
Solid Waste	570,900	1,212,335	977,333	660,291	831,060	1,046,054	429,948	269,052	253,512	202,944
Water/sewer utility	3,363,600	3,205,186	3,167,192	3,513,702	3,675,318	4,468,878	4,188,882	4,583,388	4,532,432	4,768,852
Mozingo Recreation	937,881	877,950	940,089	860,217	872,540	1,007,647	996,717	1,004,493	1,138,149	1,203,488
Operating grants and contributions:										
Solid Waste	---	---	---	---	---	---	19,302	---	---	---
Water/sewer utility	---	---	---	---	---	---	---	39,178	39,136	40,097
Mozingo Recreation	---	---	25,249	39,325	---	---	---	---	---	---
Capital grants and contributions:										
Solid Waste	---	---	---	---	---	---	---	---	---	---
Water/sewer utility	18,000	240,684	92,904	---	208,912	42,218	35,364	97,736	159,260	---
Mozingo Recreation	---	---	182,552	2,282	72,648	91,351	---	79,555	873,392	78,926
Total business-type activities										
program revenue	4,890,381	5,536,155	5,385,319	5,075,817	5,660,478	6,656,148	5,670,213	6,073,402	6,995,881	6,294,307
Total primary government										
program revenue	7,132,737	9,112,750	8,085,302	7,550,623	9,548,188	8,766,213	8,116,507	8,612,291	9,715,877	9,294,176
Net (expense) revenue:										
Governmental activities	(3,434,250)	(2,450,367)	(4,209,836)	(5,013,820)	(3,285,020)	(5,256,083)	(4,919,243)	(5,499,252)	(4,435,360)	(4,889,360)
Business-type activities	(1,264,585)	(155,203)	(582,143)	(960,798)	(1,050,313)	(553,016)	(797,619)	(503,759)	62,905	(976,625)
Total primary government net expense	(4,698,835)	(2,605,570)	(4,791,979)	(5,974,618)	(4,335,333)	(5,809,099)	(5,716,862)	(6,003,011)	(4,372,455)	(5,865,985)

City of Maryville, Missouri

Changes in Net Position Last Ten Fiscal Years (*accrual basis of accounting*) (*Unaudited*)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes	905,771	971,527	1,023,334	983,898	1,013,246	1,018,854	1,056,533	1,075,334	1,090,117	1,316,477
Sales taxes	2,057,902	2,132,592	2,799,785	2,850,396	3,025,166	3,206,400	3,063,597	3,178,249	3,268,852	3,339,173
Franchise taxes	679,430	889,928	904,949	936,294	1,007,703	1,030,452	1,106,195	1,130,069	1,284,360	1,054,690
Other taxes	325,880	293,981	290,489	285,817	293,098	301,019	303,659	293,028	286,711	274,522
PILOT & EATS - TIF	44,159	146,223	149,852	156,181	161,532	170,706	173,724	175,019	157,896	166,680
Interest	111,956	76,987	23,387	18,255	14,281	8,245	6,304	5,886	5,204	8,219
Other	136,087	82,254	114,720	181,031	75,039	109,022	341,110	43,315	88,167	93,752
Transfers	8,133	11,614	(47,190)	16,894	18,274	22,366	23,261	24,520	(83,394)	(14,617)
Special item	---	---	---	---	---	(66,431)	---	---	---	---
Total governmental activities	4,269,318	4,605,106	5,259,326	5,428,766	5,608,339	5,800,633	6,074,383	5,925,420	6,097,913	6,238,896
Business-type activities:										
Sales taxes	828,882	859,241	821,465	827,357	879,203	932,995	892,287	925,380	951,025	970,447
Interest	232,183	147,648	51,873	43,382	29,235	17,377	13,335	17,055	13,628	16,644
Gain on sale of capital assets	---	---	---	---	---	25,267	5,532	---	19,900	49,292
Other	---	13,700	---	---	780,981	20,929	83,898	7,062	8,292	154,972
Transfers	(8,133)	(11,614)	47,190	(16,894)	(18,274)	(22,366)	(23,261)	(24,520)	83,394	14,617
Special item	---	---	---	---	---	(163,072)	---	---	---	---
Total business-type activities	1,052,932	1,008,975	920,528	853,845	1,671,145	811,130	971,791	924,977	1,076,239	1,205,972
Total primary government	5,322,250	5,614,081	6,179,854	6,282,611	7,279,484	6,611,763	7,046,174	6,850,397	7,174,152	7,444,868
Changes in net position:										
Governmental activities	835,068	2,154,739	1,049,490	414,946	2,323,319	544,550	1,155,140	426,168	1,662,553	1,349,536
Business-type activities	(211,653)	853,772	338,385	(106,953)	620,832	258,114	174,172	421,218	1,139,144	229,347
Total primary government	\$ 623,415	\$ 3,008,511	\$ 1,387,875	\$ 307,993	\$ 2,944,151	\$ 802,664	\$ 1,329,312	\$ 847,386	\$ 2,801,697	\$ 1,578,883

City of Maryville, Missouri

Fund Balances, Governmental Funds Last Ten Fiscal Years (modified accrual basis of accounting) (Unaudited)

	Fiscal Year				
	2007	2008	2009	2010	2011
General Fund:					
Nonspendable	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Restricted	---	---	---	---	3,310
Committed	---	---	---	---	78,631
Assigned	---	---	---	---	---
Unassigned	---	---	---	---	1,883,103
Reserved	6,394	5,619	3,919	3,690	---
Unreserved	1,399,965	1,477,003	1,781,122	1,855,250	---
Total General Fund	<u>\$ 1,406,359</u>	<u>\$ 1,482,622</u>	<u>\$ 1,785,041</u>	<u>\$ 1,858,940</u>	<u>\$ 1,965,044</u>
All other governmental funds:					
Nonspendable	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Restricted	---	---	---	---	2,201,022
Reserved	736,423	1,986,835	2,023,029	1,646,795	---
Unreserved reported in:					---
Special revenue funds	198,144	375,518	440,342	502,987	---
Total all other governmental funds	<u>\$ 934,567</u>	<u>\$ 2,362,353</u>	<u>\$ 2,463,371</u>	<u>\$ 2,149,782</u>	<u>\$ 2,201,022</u>

GASB Statement No. 54 Implemented in Fiscal Year 2011

2012	2013	2014	2015	2016
\$ 6,666	\$ 26,127	\$ 30,064	\$ 22,752	\$ 22,779
3,010	3,010	3,010	3,010	3,010
419,063	152,700	558,582	378,163	165,201
35,870	1,120,215	634,366	558,747	533,204
1,865,578	1,486,033	1,236,200	833,673	966,069
---	---	---	---	---
---	---	---	---	---
<u>\$ 2,330,187</u>	<u>\$ 2,788,085</u>	<u>\$ 2,462,222</u>	<u>\$ 1,796,345</u>	<u>\$ 1,690,263</u>
\$ ---	\$ ---	\$ ---	\$ 115,431	\$ 115,431
2,701,817	2,727,663	1,878,436	1,357,608	1,504,634
---	---	---	---	---
---	---	---	---	---
---	---	---	---	---
<u>\$ 2,701,817</u>	<u>\$ 2,727,663</u>	<u>\$ 1,878,436</u>	<u>\$ 1,473,039</u>	<u>\$ 1,620,065</u>

City of Maryville, Missouri

Changes In Fund Balances, Governmental Funds Last Ten Fiscal Years (modified accrual basis of accounting) (Unaudited)

	Fiscal Year				
	2007	2008	2009	2010	2011
Revenues:					
Taxes	\$ 4,326,783	\$ 4,732,082	\$ 5,461,205	\$ 5,509,955	\$ 5,794,679
Licenses and permits	61,749	73,573	72,647	69,577	83,153
Intergovernmental revenues	894,818	2,095,926	1,312,175	1,221,644	1,840,908
Charges for services	493,271	491,354	479,018	554,038	625,179
Fines and forfeitures	463,305	417,626	448,312	412,474	412,964
Interest	111,956	76,987	23,387	18,255	14,281
Other	151,660	98,859	164,070	223,662	161,259
Total Revenues	6,503,542	7,986,407	7,960,814	8,009,605	8,932,423
Expenditures:					
General government	990,900	861,449	1,198,202	1,037,182	984,469
Public safety	1,737,083	2,011,583	2,056,542	2,205,200	2,034,663
Public works	1,686,581	2,976,300	1,957,843	1,613,443	2,306,486
Park and recreation	1,075,373	994,128	1,054,628	1,122,491	1,310,634
Capital outlay	20,765	795,391	2,595,297	1,559,124	1,297,896
Debt service:					
Principal retirement	304,102	285,060	290,993	343,468	481,397
Bond issuance costs	---	36,181	101,190	---	---
Interest and fiscal charges	282,584	273,357	340,932	394,051	377,808
Total expenditures	6,097,388	8,233,449	9,595,627	8,274,959	8,793,353
Excess of revenues over (under) expenditures	406,154	(247,042)	(1,634,813)	(265,354)	139,070
Other financing sources (uses):					
Transfers in	28,465	340,707	142,466	184,793	252,934
Transfers out	(20,332)	(329,093)	(148,786)	(159,129)	(234,660)
Insurance recoveries	---	---	---	---	---
Bond discount	---	---	---	---	---
Bond premium	---	9,477	141,439	---	---
Payment to refunded bond escrow agent	---	---	(2,373,758)	---	---
Issuance of long-term debt	---	1,730,000	4,276,889	---	---
Total other financing sources (uses)	8,133	1,751,091	2,038,250	25,664	18,274
Net changes in fund balance	414,287	1,504,049	403,437	(239,690)	157,344
Fund balances - Beginning	1,926,639	2,340,926	3,844,975	4,248,412	4,008,722
Fund balances - Ending	\$ 2,340,926	\$ 3,844,975	\$ 4,248,412	\$ 4,008,722	\$ 4,166,066
Debt service as a percentage of noncapital expenditures	10.98%	9.71%	9.58%	10.37%	12.80%

2012	2013	2014	2015	2016
\$ 6,029,752	\$ 6,005,812	\$ 6,160,613	\$ 6,407,525	\$ 6,469,765
96,015	84,463	80,920	93,586	70,560
636,912	1,054,119	981,945	1,375,848	1,679,836
634,216	574,502	598,008	572,865	589,179
377,954	303,797	318,664	240,070	257,116
8,244	6,304	5,885	5,204	8,219
563,230	468,419	219,178	160,075	174,127
8,346,323	8,497,416	8,365,213	8,855,173	9,248,802
1,006,846	1,207,917	1,229,039	2,241,302	1,366,665
2,121,685	2,130,002	2,208,932	2,231,898	2,172,098
1,658,433	1,889,771	2,290,323	2,127,638	1,353,020
1,343,647	1,529,234	1,273,954	1,227,606	1,187,938
512,327	3,610,800	1,193,687	377,901	1,732,588
501,031	835,000	1,065,000	1,105,000	1,295,160
---	24,500	---	64,450	---
358,782	369,709	378,463	346,517	258,521
7,502,751	11,596,933	9,639,398	9,722,312	9,365,990
843,572	(3,099,517)	(1,274,185)	(867,139)	(117,188)
150,646	104,678	214,416	134,399	138,380
(128,280)	(81,417)	(115,321)	(217,793)	(152,997)
---	---	---	46,130	4,580
---	---	---	---	---
---	---	---	---	---
---	---	---	(2,063,476)	---
---	3,560,000	---	1,745,000	168,169
22,366	3,583,261	99,095	(355,740)	158,132
865,938	483,744	(1,175,090)	(1,222,879)	40,944
4,166,066	5,032,004	5,515,748	4,492,263	3,269,384
\$ 5,032,004	\$ 5,515,748	\$ 4,340,658	\$ 3,269,384	\$ 3,310,328
12.64%	16.92%	18.44%	20.25%	20.38%

City of Maryville, Missouri

Tax Revenues by Source, Governmental Funds Last Ten Fiscal Years (modified accrual basis of accounting) (Unaudited)

Fiscal Year	Ad Valorem Taxes	Sales Tax	Franchise Fees	Excise Taxes	Other Taxes	Total
2007	\$ 905,381	\$ 2,057,903	\$ 679,430	\$ 378,409	\$ 305,660	\$ 4,326,783
2008	967,358	2,132,592	889,928	367,015	375,189	4,732,082
2009	1,017,010	2,799,785	904,949	352,413	387,048	5,461,205
2010	983,898	2,850,396	936,294	351,505	387,862	5,509,955
2011	1,013,246	3,025,166	1,007,703	346,888	401,676	5,794,679
2012	1,018,854	3,206,400	1,030,452	355,734	418,310	6,029,750
2013	1,056,532	3,063,597	1,106,195	351,340	428,148	6,005,812
2014	1,075,334	3,178,249	1,130,069	355,311	421,650	6,160,613
2015	1,090,117	3,268,852	1,284,361	363,507	400,688	6,407,525
2016	1,316,476	3,339,173	1,054,690	361,623	397,803	6,469,765
Change 2007-2016	45.41%	62.26%	55.23%	-4.44%	30.15%	49.53%

Notes: In the Statement of Activities the State Gasoline excise tax is reported as Public Works Charges for Services.
Ad Valorem Taxes includes real, personal and utility property taxes, merchants surtax, intangible property tax, interest and penalties

City of Maryville, Missouri

Program Revenues by Function/Program Last Ten Fiscal Years (*accrual basis of accounting*) (*Unaudited*)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
	Fiscal Year									
Governmental activities:										
General government	\$ 393,894	\$ 358,886	\$ 386,139	\$ 396,289	\$ 565,200	\$ 467,611	\$ 376,968	\$ 458,213	\$ 410,008	\$ 395,292
Public safety	477,481	431,381	465,412	629,806	563,891	445,742	385,660	406,865	294,680	309,557
Public works	891,875	2,301,796	1,381,163	907,100	1,840,069	606,885	1,162,629	1,074,666	1,492,337	1,763,482
Park and recreation	479,106	484,532	467,269	541,611	918,550	589,827	521,037	599,145	522,971	531,538
Total governmental activities	2,242,356	3,576,595	2,699,983	2,474,806	3,887,710	2,110,065	2,446,294	2,538,889	2,719,996	2,999,869
Business-type activities:										
Solid Waste	570,900	1,212,335	977,333	660,291	831,060	1,046,054	449,250	269,052	253,512	202,944
Water/sewer utility	3,381,600	3,445,870	3,260,096	3,513,702	3,884,230	4,511,096	4,224,246	4,720,302	4,730,828	4,808,949
Mozingo Golf	937,881	877,950	1,147,890	901,824	945,188	1,098,998	996,717	1,084,048	2,011,541	1,282,414
Total business-type activities	4,890,381	5,536,155	5,385,319	5,075,817	5,660,478	6,656,148	5,670,213	6,073,402	6,995,881	6,294,307
Total primary government	\$ 7,132,737	\$ 9,112,750	\$ 8,085,302	\$ 7,550,623	\$ 9,548,188	\$ 8,766,213	\$ 8,116,507	\$ 8,612,291	\$ 9,715,877	\$ 9,294,176

City of Maryville, Missouri

Principal Sales Tax Industries Current Year and Seven Years Ago (Unaudited)

Industry	FY 2016		FY 2008	
	Rank	Percentage of Total City Sales Tax Revenues	Rank	Percentage of Total City Sales Tax Revenues
General Merchandise Stores	1	28.70%		
Food Stores	2	14.90%		
Eating & Drinking Places	3	11.09%		
Building materials, Hardware, Garden Supply, etc	4	6.96%		
Motor Vehicle Account	5	6.29%		
Electric, Gas & Sanitary Services	6	6.18%		
Miscellaneous Retail	7	3.59%		
Machinery, except electrical	8	3.27%		
Communication	9	3.26%		
Automotive Dealers and Gasoline Services	10	1.71%		
Total Percentage of Sales Tax Revenue		85.95%		
Department Stores			1	32.49%
Eating & Drinking Places			2	21.56%
Lumber & Other Building Materials			3	11.42%
Telephone Communication			4	7.16%
Retail Stores not Elsewhere Classified			5	4.69%
Miscellaneous Shopping Goods			6	3.13%
Miscellaneous Business Services			7	2.73%
Auto & Home Supply Stores			8	2.51%
Automotive Repair Shops			9	2.02%
Services not Elsewhere Classified			10	1.93%
Total Percentage of Sales Tax Revenue				89.64%

Source: Missouri Department of Revenue

Note: Information for FY 2008 is the earliest available data.

City of Maryville, Missouri

Direct and Overlapping Sales Tax Rates Last Ten Fiscal Years (Unaudited)

Fiscal Year	City Direct Rate	Nodaway County Rate	Nodaway County Ambulance Rate	State Rate	Total Rate
2007	1.750%	1.000%	0.500%	4.225%	7.475%
2008	1.750%	1.000%	0.500%	4.225%	7.475%
2009	2.250%	1.000%	0.500%	4.225%	7.975%
2010	2.250%	1.000%	0.500%	4.225%	7.975%
2011	2.250%	1.000%	0.500%	4.225%	7.975%
2012	2.250%	1.000%	0.500%	4.225%	7.975%
2013	2.250%	1.000%	0.500%	4.225%	7.975%
2014	2.250%	1.000%	0.500%	4.225%	7.975%
2015	2.250%	1.500%	0.500%	4.225%	8.475%
2016	2.250%	1.500%	0.500%	4.225%	8.475%

Source: Missouri Department of Revenue

City of Maryville, Missouri

Assessed Value and Estimated Actual Value of Taxable Property Last Ten Fiscal Years (Unaudited)

Fiscal Year	Residential Property	Commercial Property	Agriculture Property	Railroad & Utility	Personal Property	Total Taxable Assessed Value
2007	\$ 53,317,240	\$ 24,071,040	\$ 44,210	\$ 2,205,394	\$ 32,958,670	\$ 112,596,554
2008	57,926,180	27,755,590	39,460	2,296,849	33,540,020	121,558,099
2009	59,013,550	27,766,030	38,280	2,229,078	37,202,730	126,249,668
2010	60,301,700	27,529,020	38,160	2,465,690	31,849,110	122,183,680
2011	63,267,080	27,832,050	33,950	2,950,130	31,862,020	125,945,230
2012	63,828,660	28,332,300	33,430	2,633,924	28,848,970	123,677,284
2013	64,412,200	28,052,040	32,550	3,119,649	32,057,933	127,674,372
2014	65,226,180	28,148,910	29,350	3,706,225	32,054,910	129,165,575
2015	66,105,870	28,515,450	39,800	3,912,556	30,358,450	128,932,126
2016	66,696,340	27,902,220	42,500	4,106,997	36,032,658	134,780,715

Note: Property is reassessed once every two years.

Source: Nodaway County Clerk

		Ratio of Total Assessed Value to Total Estimated Actual Value
Estimated Actual Value	Direct Tax Rate	
\$ 461,881,764	0.7419	24.38%
499,633,284	0.7500	24.33%
516,151,817	0.7534	24.46%
506,839,694	0.7492	24.11%
524,923,836	0.7491	23.99%
519,424,679	0.7677	23.81%
532,747,244	0.7677	23.97%
539,145,862	0.7677	23.96%
540,566,959	0.7790	23.85%
559,413,210	0.8803	24.09%

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City of Maryville, Missouri

Direct and Overlapping Property Tax Rates Last Ten Fiscal Years

Fiscal Year	City Direct Rates				Overlapping Rates					Total Direct & Overlapping Rates
	General Fund	Parks Fund	Debt Service Fund	Total City Tax Rate	School District Tax Rate	Library Tax Rate	Polk Township Tax Rate	County Tax Rate	Others	
2007	0.3192	0.3192	0.1035	0.7419	4.8124	0.1442	0.6720	0.0000	0.1800	6.5505
2008	0.3153	0.3153	0.1194	0.7500	4.7815	0.1424	0.6647	0.1600	0.1791	6.6777
2009	0.3170	0.3170	0.1194	0.7534	4.8950	0.1432	0.3220	0.1600	0.1800	6.4536
2010	0.3298	0.3000	0.1194	0.7492	4.9195	0.1490	0.4768	0.1600	0.1800	6.6345
2011	0.3297	0.3000	0.1194	0.7491	4.9336	0.1490	0.4768	0.1600	0.1800	6.6485
2012	0.3383	0.3000	0.1294	0.7677	4.9758	0.1529	0.4847	0.1400	0.1800	6.7011
2013	0.3383	0.3000	0.1294	0.7677	5.0410	0.1529	0.4847	0.1400	0.1800	6.7663
2014	0.3383	0.3000	0.1294	0.7677	5.1388	0.1529	0.4853	0.1300	0.1800	6.8547
2015	0.3412	0.3000	0.1378	0.7790	5.1317	0.1542	0.4900	0.1200	0.1800	6.8549
2016	0.3415	0.4036	0.1352	0.8803	5.1303	0.1544	0.4978	0.1200	0.1800	6.9628

Notes: The Others category includes the tax rate for the Senior Citizens Center, Sheltered Workshop, Health and State.

Overlapping rates are those of local and county governments that apply to property owners within the City of Maryville.

Rates for debt service are set based on the year's payment obligation.

Source: Nodaway County Clerk

City of Maryville, Missouri

Principal Real Property Taxpayers Current Year and Eight Years Ago (Unaudited)

Taxpayer	2016			2008		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Energizer Battery Mfg	\$ 2,515,310	1	1.87%	\$ 2,515,160	2	2.07%
Wal-Mart	2,494,200	2	1.85%	2,607,450	1	2.15%
Selma S. Daniels Revocable Trust	1,470,290	3	1.09%			
Maryville MO Assisted Living Prop Inv	1,073,400	4	0.80%			
Federal Mogul Vehicle Component	971,140	5	0.72%	971,140	3	0.80%
Deluxe Manufacturing Operations LLC	743,880	6	0.55%	642,950	6	0.53%
Nucor-LMP Inc.	714,650	7	0.53%	714,650	5	0.59%
Inland Realty	602,580	8	0.45%	602,580	7	0.50%
Krzyzostaniok, Dorothy	572,320	9	0.42%	564,140	8	0.46%
Snyder & Snyder LLC	502,850	10	0.37%	460,050	10	0.38%
Barrington Assoc Inc.				784,600	4	0.65%
Boney Corporation				494,920	9	0.41%

Source: Nodaway County Assessor

Note: Information for 2008 is the latest available data.

City of Maryville, Missouri

Property Tax Levies and Collections Last Ten Fiscal Years (Unaudited)

Fiscal Year	Current Tax Levy	Collected Within the Fiscal Year of the Levy		Collected in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	\$ 835,354	820,980	98.28%	\$ 14,309	\$ 835,289	99.99%
2008	911,686	876,702	96.16%	17,228	893,930	98.05%
2009	951,165	923,151	97.05%	13,841	936,992	98.51%
2010	915,400	894,832	97.75%	11,072	905,904	98.96%
2011	943,456	920,197	97.53%	14,152	934,349	99.03%
2012	949,471	925,679	97.49%	13,523	939,202	98.92%
2013	980,156	954,518	97.38%	17,841	972,359	99.20%
2014	991,604	968,563	97.68%	16,792	985,355	99.37%
2015	1,004,381	983,216	97.89%	11,228	994,444	99.01%
2016	1,186,475	1,172,309	98.81%	---	1,172,309	98.81%

Notes: Includes real estate, personal, and railroad & utility taxes.

A tax levy provides taxes remitted for the following year.

After the assessed valuation is approved by the Board of Equalization, additions and abatements are still made which are not reflected in this table; however, the impact is immaterial.

City of Maryville, Missouri

Ratios of Outstanding Debt by Type Last Ten Fiscal Years (Unaudited)

Fiscal Year	Governmental Activities				
	General Obligation Bonds (1)	Capital Leases	TIF Bonds	Certificates of Participation	Notes Payable
2007	\$ 2,770,000	\$ 45,060	\$ 2,580,000	\$ ---	\$ ---
2008	2,565,000	---	2,545,000	1,730,000	---
2009	4,220,000	50,896	2,500,000	1,730,000	---
2010	4,145,000	32,428	2,440,000	1,540,000	---
2011	3,980,000	6,031	2,380,000	1,310,000	---
2012	3,795,000	---	2,310,000	1,070,000	---
2013	3,600,000	---	2,230,000	4,070,000	---
2014	3,380,000	---	2,140,000	3,315,000	---
2015	3,242,634	---	1,745,000	2,530,000	---
2016	3,025,562	---	1,480,000	1,715,000	163,009

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

* Information unavailable

(1) Presented net of original issuance discounts and premiums.

Business-type Activities				Total Primary Government	Percentage of Personal Income	Debt per Capita
Revenue Bonds (1)	Capital Leases	Certificates of Participation (1)	Note Payable			
\$ 4,630,000	\$ 349,453	\$ ---	\$ 106,299	\$ 10,480,812	3.90%	991
4,150,000	715,415	---	92,296	11,797,711	4.23%	1,115
3,170,000	1,264,094	---	77,429	13,012,419	4.38%	1,230
2,860,000	992,575	---	61,645	12,071,648	3.71%	1,008
2,550,000	785,265	2,795,000	44,888	13,851,184	4.06%	1,157
2,220,000	2,239,314	2,695,000	27,097	14,356,411	4.22%	1,199
1,870,000	1,813,467	2,590,000	162,238	16,335,705	4.50%	1,364
15,270,000	1,441,139	2,485,000	---	28,031,139	7.72%	2,341
14,494,389	1,077,068	2,376,636	---	25,465,727	7.44%	2,127
13,896,446	705,729	2,260,818	---	23,246,564	*	1,942

City of Maryville, Missouri

Ratios of Net General Bonded Debt Outstanding Last Ten Fiscal Years (Unaudited)

Fiscal Year	General Obligation Bonds (1)	Fund Balance Debt Service Fund	Net General Bonded Debt	Percentage of Actual Taxable Value of Property	Debt per Capita
2007	\$ 2,770,000	385,303	\$ 2,384,697	0.52%	\$ 262
2008	2,565,000	418,153	2,146,847	0.43%	242
2009	4,220,000	404,480	3,815,520	0.74%	399
2010	4,145,000	502,355	3,642,645	0.72%	346
2011	3,980,000	530,056	3,449,944	0.66%	332
2012	3,795,000	562,805	3,232,195	0.62%	317
2013	3,600,000	588,228	3,011,772	0.57%	301
2014	3,380,000	608,081	2,771,919	0.51%	282
2015	3,242,634	645,446	2,597,188	0.48%	271
2016	3,025,562	721,087	2,304,475	0.41%	253

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

(1) Presented net of original issuance discounts and premiums.

City of Maryville, Missouri

Direct and Overlapping Governmental Activities Debt For the Year Ended September 30, 2016 (Unaudited)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Amount Applicable to City</u>
Debt repaid with property taxes:			
Maryville School District	\$ 18,125,000	71.27%	\$ 12,917,688
Nodaway County	3,165,504	42.57%	1,347,555
Sub total overlapping	21,290,504		14,265,243
City direct debt			6,383,571
Total direct and overlapping debt			\$ 20,648,814

Source: Maryville School District and Nodaway County Clerk

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

City of Maryville, Missouri

Legal Debt Margin Information
Last Ten Fiscal Years
(Unaudited)

	2007	2008	2009	2010	2011
Debt limit	\$ 22,519,311	\$ 24,311,620	\$ 25,249,934	\$ 24,436,736	\$ 25,189,046
Total net debt applicable to limit	2,384,697	2,146,847	3,815,520	3,642,645	3,449,944
Legal debt margin	\$ 20,134,614	\$ 22,164,773	\$ 21,434,414	\$ 20,794,091	\$ 21,739,102
Total net debt applicable to the limit as a percentage of debt limit	11.84%	9.69%	17.80%	17.52%	15.87%

Legal Debt Margin Calculation for Fiscal Year 2016

Assessed value	<u>\$ 134,780,715</u>
Debt limit (20% of assessed value)	<u>\$ 26,956,143</u>
City Debt applicable to debt limit:	
General obligation bonds	3,025,562
Less-amount available in debt service fund	<u>(721,087)</u>
Total net debt applicable to limit	<u>2,304,475</u>
Legal debt margin	<u>\$ 24,651,668</u>

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ 24,735,457	\$ 25,534,874	\$ 25,833,115	\$ 25,786,425	\$ 26,956,143
<u>3,232,195</u>	<u>3,011,772</u>	<u>2,771,919</u>	<u>2,597,188</u>	<u>2,304,475</u>
<u>\$ 21,503,262</u>	<u>\$ 22,523,102</u>	<u>\$ 23,061,196</u>	<u>\$ 23,189,237</u>	<u>\$ 24,651,668</u>
15.03%	13.37%	12.02%	11.20%	9.35%

City of Maryville, Missouri

Pledged-Revenue Coverage Last Ten Fiscal Years (Unaudited)

Water and Sewer System Bonds							
Fiscal Year	Operating Revenue (1)	Operating Expenses (2)	Net Revenues Available for Debt Service	Debt Service		Total Debt Payments	Coverage
				Principal	Interest		
2007	\$ 3,568,588	\$ 2,312,803	\$ 1,255,785	\$ 460,000	\$ 258,725	\$ 718,725	1.75
2008	3,332,071	1,659,000	1,673,071	480,000	238,115	718,115	2.33
(3) 2009	3,212,727	1,945,457	1,267,270	150,000	83,918	233,918	5.42
2010	3,550,405	1,839,555	1,710,850	310,000	102,789	412,789	4.14
2011	3,701,221	2,259,413	1,441,808	310,000	92,263	402,263	3.58
2012	4,484,593	2,295,261	2,189,332	330,000	83,600	413,600	5.29
2013	4,200,991	2,173,665	2,027,326	350,000	64,483	414,483	4.89
2014	4,599,372	2,254,388	2,344,984	350,000	481,165	831,165	2.82
2015	4,545,071	2,424,665	2,120,406	590,000	512,818	1,102,818	1.92
2016	4,784,275	2,547,201	2,237,074	600,000	498,680	1,098,680	2.04

(1) Operating revenue includes interest earnings

(2) Operating expenses excludes interest expense and depreciation expense

(3) In June 2009, the City refunded \$4,000,000 of the outstanding Series 1999A bonds.

The debt service amounts in the table do not reflect the defeasance of this debt.

City of Maryville, Missouri

Demographic and Economic Statistics Last Ten Fiscal Years (Unaudited)

Fiscal Year	Population (1)	Personal Income	Per Capita Income (2)	Median Age (1)	School Enrollment (4)	Unemployment Rate (3)
2007	10,581	268,863,210	25,410	23	1,371	3.68%
2008	10,581	278,724,702	26,342	23	1,304	4.04%
2009	10,581	296,860,536	28,056	23	1,348	5.93%
2010	11,972	325,806,008	27,214	23	1,334	6.89%
2011	11,972	340,854,812	28,471	23	1,339	7.09%
2012	11,972	340,172,408	28,414	23	1,348	5.58%
2013	11,972	362,811,460	30,305	23	1,385	6.05%
2014	11,972	362,919,208	30,314	23	1,372	7.00%
2015	11,972	342,231,592	28,586	23	1,398	5.20%
2016	11,972	*	*	23	1,363	4.63%

Sources: (1) Missouri Census Data Center - U.S. Census Bureau (ten year increments)
(2) U.S. Bureau of Economic Analysis (for the Maryville Micropolitan Area)
(3) Missouri Economic Research and Information Center - Missouri Department of Economic Development
(for the Maryville Micropolitan Area)
(4) Maryville R-II School District

* Information unavailable

City of Maryville, Missouri

Principal Employers Current Year and Nine Years Ago (Unaudited)

Employer (1)	2016			2007		
	Employees (1)	Rank	Percentage of Total County Employment (2)	Employees (1)	Rank	Percentage of Total County Employment (2)
Kawasaki Motors Mfg. Corp	750	1	6.84%	660	2	5.39%
Northwest Missouri State University	700	2	6.39%	697	1	5.69%
St. Francis Hospital & Health Services	499	3	4.55%	405	4	3.31%
Focus	350	4	3.19%			
Maryville R-II School District	250	5	2.28%	230	7	1.88%
Wal-Mart Superstore	240	6	2.19%	250	5	2.04%
Maryville Treatment Center	200	7	1.83%	150	9	1.22%
Federal Mogul	200	8	1.83%	248	6	2.02%
Hy-Vee Food Store	195	9	1.78%	150	10	1.22%
NUCOR-LMP	150	10	1.37%	150	10	1.22%
DELUXE				220	8	1.80%
Energizer Battery				540	3	4.41%

Sources: (1) Nodaway County Economic Development

(2) Missouri Economic Research and Information Center - Missouri Department of Economic Development
(for the Maryville Micropolitan Area)

City of Maryville, Missouri

Full-Time Equivalent City Government Employees By Function/Program Last Ten Fiscal Years (Unaudited)

Function/Program	Full-Time Equivalent Employees as of September 30									
	2007	2008	2009	2010	2011	2012	2013 *	2014	2015	2016
General Government										
Administration	5	4	5	4	4	5	5	5	5.32	5
Finance	5	5	6	6	6	6	6	6	5.76	5.43
Court	1.5	1.5	1.5	1.5	1.5	1.5	1.04	1.06	1.04	1.05
Public Safety										
Administration	3	2	2	2	2	2	2	2	2	2
Public Safety Officers	21	20	19	19	18	19	19	18	19	19
Lake Patrol	1.5	1.5	1.5	1	1	0.5	0.36	0.2	0.49	0.5
Dispatch	6.5	6.5	6	5.5	5.5	5	5.64	4.61	5.05	5.84
Firefighters	2	2	2	2	2	2	2	2	2	2
Volunteer Firefighters	14	13	13	15	16	15	14	14	16	15
Public Works										
Administration	3	2.5	2	1	2	2	2	2	2	2
Code Enforcement	2	2	2	2	2	2	1	2	2	2
Street Maintenance/Central Garage	10	8	9	9	9	9	9	7	7.35	7.33
Airport	1.5	1.5	1.5	1.5	1.5	1.5	1.13	1.13	1.23	1.2
GIS	1	1	1	1	1	1	1.44	1	1	1
Parks & Recreation										
Administration	3	3	3	3	3	3	3	3	3	3.06
Recreation	66	67	18.5	22.5	22.5	20	8.35	8.04	13.48	13.96
Park Maintenance	10	12.5	5.5	5.5	5.5	6	6.34	5.94	7.13	6.21
Solid Waste	3	3	3	3	3	3	2.75	1.48	1.71	1.69
Water/Sewer	6	6	6	6	5	6.5	6	7	7.1	6.66
Mozingo Recreation										
Operations								10.38	8.79	8.37
Maintenance								13.25	11.93	12.71
Golf Clubhouse	11.5	9.5	8	7	5.5	7	6.27			
Golf Maintenance	11	13.5	9	8.5	7.5	8	6.52			
Park Maintenance	9.5	10	6.5	6.5	7.5	8.5	9.47			
Total	197	195	131	132.5	131	133.5	118.31	115.09	123.38	122.01

* **Note:** Prior to 2013, full time employees were treated as one FTE and part-time employees were treated as one-half of an FTE. Beginning in 2013, FTE's were calculated based on hours worked during the last pay period of the fiscal year. The volunteer firefighters are reported as 1 FTE.

Source: City records

City of Maryville, Missouri

Operating Indicators by Function/Program Last Ten Fiscal Years (Unaudited)

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Safety:										
Arrests	1,054	1,095	888	1,041	856	794	686	688	813	766
Parking violations	768	719	648	644	570	529	392	617	329	271
Traffic violations	1,239	970	969	916	688	1,285	840	682	717	947
Vehicle accidents	321	330	321	270	313	280	325	382	308	308
Total calls answered	11,786	11,131	12,054	8,764	7,999	7,613	7,708	8,727	8,747	7,511
Fire:										
Total calls answered	309	171	322	313	237	331	286	252	190	255
Public Works:										
Commercial building permits	13	5	15	10	15	16	19	10	24	13
Residential building permits	96	74	56	50	54	57	59	50	47	43
Water:										
Number of service connections	3,864	3,931	3,892	3,897	4,003	4,074	4,114	4,146	4,195	4,198
Daily average consumption in gallons	1.6 mgd	1.6 mgd	1.6 mgd	1.7 mgd	1.8 mgd	1.8 mgd	1.8 mgd	1.8 mgd	1.8 mgd	1.8 mgd
Water Pollution Control:										
Daily average flow in gallons	1.6 mgd	1.6 mgd	1.6 mgd	1.6 mgd	1.8 mgd	1.8 mgd	1.8 mgd	1.8 mgd	1.8 mgd	1.8 mgd

Source: City records

City of Maryville, Missouri

Capital Asset Statistics by Function/Program Last Ten Fiscal Years (Unaudited)

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Safety Stations	1	1	1	1	1	1	1	1	1	1
Public Works:										
Area of city (square miles)	5.86	5.86	5.86	6.12	6.12	6.13	6.18	6.32	7.65	7.65
Miles of streets	62.11	62.11	62.11	69.28	69.28	69.28	69.28	69.28	69.28	69.28
Number of streets	114	114	114	128	129	130	132	203	204	204
Miles of sidewalks	34	34	34	34	34	34	35	35	35	35
Number of street lights	816	816	816	816	816	816	823	823	823	823
Miles of storm sewers	18	18	18	18	18	18	18	18	18	18
Parks & Recreation:										
Parks	10	10	10	10	10	10	10	10	10	10
Acreage	110	110	110	110	110	110	110	110	110	110
Tennis courts	4	4	4	4	4	4	4	4	4	4
Baseball/softball diamonds	8	8	8	8	8	8	8	8	8	8
Community center	1	1	1	1	1	1	1	1	1	1
Aquatic center	1	1	1	1	1	1	1	1	1	1
Water:										
Miles of water mains	76	76	76	74	74	74	74	73	73	73
Number of fire hydrants	498	498	498	485	478	485	490	485	485	485
Maximum daily capacity in gallons	5.0 mgd	5.0 mgd	5.0 mgd	5.0 mgd	5.0 mgd	5.0 mgd	5.0 mgd	5.0 mgd	5.0 mgd	5.0 mgd
Water Pollution Control:										
Miles of sanitary sewer	63	63	63	63	63	63	63	55	55	55
Maximum daily capacity in gallons	1.7 mlg	1.7 mlg	1.7 mlg	1.7 mlg	1.7 mlg	1.7 mlg	1.7 mlg	1.7 mlg	1.7 mlg	1.7 mlg

Source: City records

APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

City of Maryville, Missouri
Maryville, Missouri

Robert W. Baird & Co., Inc.
Milwaukee, Wisconsin

Re: \$2,390,000 City of Maryville, Missouri, General Obligation Refunding Bonds, Series 2018

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the City of Maryville, Missouri (the “City”), of the above-captioned bonds (the “Bonds”).

We have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Bonds are valid and legally binding general obligations of the City, payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the City.

2. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) (i) is excludable from gross income for federal income tax purposes, (ii) is exempt from income taxation by the State of Missouri, and (iii) is not an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinions set forth in this paragraph are subject to the condition that the City complies with all requirements of the Internal Revenue Code of 1986, as amended (the “Code”), that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The City has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the Bonds to be included in gross income for federal and Missouri income tax purposes retroactive to the date of issuance of the Bonds. The Bonds are “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

We express no opinion regarding the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth in this opinion.

The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

Very truly yours,

APPENDIX D

PROPOSED FORM OF CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate dated as of February 15, 2018 (the “**Continuing Disclosure Certificate**”), is executed and delivered by the **CITY OF MARYVILLE, MISSOURI** (the “**City**”).

RECITALS

1. This Continuing Disclosure Certificate is executed and delivered by the City in connection with the delivery by the City of \$2,390,000 original principal amount of General Obligation Refunding Bonds, Series 2018 (the “**Bonds**”), pursuant to an Ordinance adopted on January 22, 2018 (the “**Ordinance**”).

2. The City is entering into this Continuing Disclosure Certificate for the benefit of the Beneficial Owners (as defined below) of the Bonds and in order to assist the Participating Underwriter (as defined below) in complying with Rule 15c2-12 of the Securities and Exchange Commission (the “**Rule**”). The City is the only “**obligated person**” (as defined by the Rule) with responsibility for continuing disclosure hereunder.

The City covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth in the Ordinance, which apply to any capitalized term used in this Continuing Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“**Annual Report**” means any Annual Report filed by the City pursuant to, and as described in, **Section 2** of this Continuing Disclosure Certificate.

“**Beneficial Owner**” means any registered owner of any Bonds and any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“**EMMA**” means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org.

“**Fiscal Year**” means the 12-month period beginning on October 1 and ending on September 30 or any other 12-month period selected by the Issuer as the Fiscal Year of the Issuer for financial reporting purposes.

“**Material Events**” means any of the events listed in **Section 3** of this Continuing Disclosure Certificate.

“**MSRB**” means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

“**Participating Underwriter**” means any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“**Rule**” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 2. Provision of Annual Reports.

(a) The City shall, not later than the **March 31** after the end of the City’s Fiscal Year, commencing with the Fiscal Year ended September 30, 2017, provide to the MSRB, through EMMA, the following financial information and operating data (the “**Annual Report**”):

- (1) The audited financial statements of the City for the prior fiscal year. If audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement relating to the Bonds, and the audited financial statements will be filed in the same manner as the Annual Report promptly after they become available. The audited financial statements of the City are currently prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. If the City changes the format of its financial statements, (1) notice of such change shall be given in the same manner as for a Material Event, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.
- (2) Updates as of the end of the Fiscal Year of certain financial information and operating data contained in the final Official Statement, as described in **Exhibit A**, in substantially the same format contained in the final Official Statement.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the City is an “**obligated person**” (as defined by the Rule), that have been filed with the MSRB and are available through EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB on EMMA. The City shall clearly identify each such other document so included by reference.

In each case, the Annual Report may be filed as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section; provided that the audited financial statements of the City may be filed separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date.

Section 3. Reporting of Material Events. No later than 10 business days after the occurrence of any of the following events, the City shall give, or cause to be given to the MSRB, through

EMMA, notice of the occurrence of any of the following events with respect to the Bonds (“**Material Events**”):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to rights of bondholders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the City;
- (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) appointment of a successor or additional trustee or the change of name of the trustee, if material.

If the City has not filed the Annual Report to the MSRB by the date required in **Section 2(a)**, the City shall send a notice to the MSRB of the failure of the City to file on a timely basis the Annual Report, which notice shall be given by the City in accordance with this **Section 3**.

Section 4. Termination of Reporting Obligation. The City’s obligations under this Continuing Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the City’s obligations under this Continuing Disclosure Certificate are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Certificate in the same manner as if it were the City, and the City shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the City shall give notice of such termination or substitution in the same manner as for a **Material Event** under **Section 3**.

Section 5. Designated Agents. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the City pursuant to this Continuing Disclosure Certificate.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Certificate, the City may amend this Continuing Disclosure Certificate and any provision of this Continuing Disclosure Certificate may be waived, provided that Special Counsel or other counsel experienced in federal securities law matters provides the City with its written opinion that the undertaking

of the City contained herein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to this Continuing Disclosure Certificate.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Certificate, the City shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given in the same manner as for a Material Event under **Section 3**, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Additional Information. Nothing in this Continuing Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that required by this Continuing Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Material Event, in addition to that specifically required by this Continuing Disclosure Certificate, the City shall have no obligation under this Continuing Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 8. Default. If the City fails to comply with any provision of this Continuing Disclosure Certificate, any Participating Underwriter or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with its obligations under this Continuing Disclosure Certificate. A default under this Continuing Disclosure Certificate shall not be deemed an event of default under the Ordinance or the Bonds, and the sole remedy under this Continuing Disclosure Certificate in the event of any failure of the City to comply with this Continuing Disclosure Certificate shall be an action to compel performance.

Section 9. Beneficiaries. This Continuing Disclosure Certificate shall inure solely to the benefit of the City, the Participating Underwriter, and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 10. Severability. If any provision in this Continuing Disclosure Certificate, the Ordinance or the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 11. Electronic Transactions. The arrangements described herein may be conducted and related documents may be stored, received and delivered by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 12. Governing Law. This Continuing Disclosure Certificate shall be governed by and construed in accordance with the laws of the State of Missouri.

Section 13. Counterparts. This Continuing Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

CITY OF MARYVILLE, MISSOURI

By: _____
Title: Mayor

EXHIBIT A
TO CONTINUING DISCLOSURE CERTIFICATE

**FINANCIAL INFORMATION AND OPERATING DATA TO BE
INCLUDED IN ANNUAL REPORT**

The tables located under the following sections of Appendix A to the final Official Statement:

DEBT STRUCTURE

Current Indebtedness of the City

Legal Debt Capacity

FINANCIAL INFORMATION CONCERNING THE CITY

Sources of Revenue

Retail Sales Taxes

Property Valuations

History of Property Valuation

Tax Rates – *The table showing tax levies*

Tax Collection Record