

*In the opinion of Gilmore & Bell, P.C., Bond Counsel to the City, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the Bonds (including any original issue discount properly allocable to an owner thereof) (1) 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 and (2) is exempt from income taxation by the State of Missouri. The Bonds have not been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. See the section captioned "TAX MATTERS" in this Official Statement.*

**CITY OF JEFFERSON, MISSOURI**

**\$7,305,000**  
**SPECIAL OBLIGATION IMPROVEMENT BONDS**  
**(PARKS SYSTEM PROJECT)**  
**SERIES 2019**

**Dated: Date of Issuance**

**Due: September 1, as shown on inside cover page**

The Special Obligation Improvement Bonds (Parks System Project), Series 2019 (the "Bonds"), will be issued by the City of Jefferson, Missouri (the "City"), for the purpose of providing funds to pay (1) costs of various improvements to the City's parks and recreation system, as further described herein under the section herein captioned "PLAN OF FINANCING - The Project" and (2) costs related to the issuance of the Bonds.

**The Bonds and the interest thereon will constitute special obligations of the City payable solely from amounts appropriated in each Fiscal Year (defined herein) (1) out of the income and revenues of the City provided for such Fiscal Year, plus (2) any unencumbered balances from previous Fiscal Years. The City is not obligated to make any such annual appropriation. The Bonds do not constitute general obligations or indebtedness of the City within the meaning of any constitutional or statutory limitation or provision, and the City does not pledge its full faith and credit and is not obligated to levy taxes or resort to any other moneys or property of the City to pay the principal of and interest on the Bonds. The fiscal year of the City begins on each November 1 and ends on October 31 (each a "Fiscal Year").**

The Bonds will be issued as fully registered bonds without coupons, and, when issued, will be registered in the name of Cede & Co., as Bondowner (defined herein) 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 only form, in the denominations of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their interests in Bonds purchased. So long as Cede & Co. as nominee of DTC, is the Bondowner, references herein to the Bondowners or Registered Owners will mean Cede & Co., as aforesaid, and will not mean the Beneficial Owners (as defined herein) of the Bonds. See the section captioned "THE BONDS—Book-Entry Only System" herein and *Appendix E* to this Official Statement.

Principal of the Bonds will be paid on September 1 in the years in which the Bonds mature (see the inside cover page of this Official Statement). Interest on the Bonds is payable semiannually on each March 1 and September 1, commencing March 1, 2020. So long as DTC or its nominee, Cede & Co., is the Bondowner, DTC will receive all payments with respect to the Bonds from UMB Bank, N.A., St. Louis, Missouri, as paying agent for the Bonds. DTC is required to remit such payments to DTC Participants (defined herein). Distribution of such payments to Beneficial Owners is the responsibility of Direct Participants (defined herein) and Indirect Participants (defined herein), as more fully described in *Appendix E* to this Official Statement.

The Bonds are subject to optional redemption prior to maturity as further described herein. See the section captioned "THE BONDS - Redemption Provisions" in this Official Statement.



*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, as Bond Counsel to the City. Gilmore & Bell, P.C. will also pass upon certain matters relating to this Official Statement. It is expected that the Bonds will be available for delivery in book-entry form through DTC, New York, New York on or about December 3, 2019.*

**\$7,305,000**  
**CITY OF JEFFERSON, MISSOURI**  
**SPECIAL OBLIGATION IMPROVEMENT BONDS**  
**(PARKS SYSTEM PROJECT)**  
**SERIES 2019**

**MATURITY SCHEDULE**

<b><u>Maturity</u></b> <b><u>September 1</u></b>	<b><u>Principal</u></b> <b><u>Amount</u></b>	<b><u>Interest</u></b> <b><u>Rate</u></b>	<b><u>Yield</u></b>	<b><u>CUSIP</u></b> <b><u>No.</u></b>
2020	\$325,000	3.000%	1.350%	47422T AA5
2021	285,000	3.000	1.380	47422T AB3
2022	295,000	3.000	1.410	47422T AC1
2023	300,000	3.000	1.440	47422T AD9
2024	310,000	3.000	1.510	47422T AE7
2025	320,000	3.000	1.550	47422T AF4
2026	330,000	3.000	1.680	47422T AG2
2027	340,000	3.000	1.780*	47422T AH0
2028	350,000	3.000	1.850*	47422T AJ6
2029	360,000	2.000	2.050	47422T AK3
2030	370,000	2.150	2.180	47422T AL1
2031	375,000	2.250	2.250	47422T AM9
2032	385,000	2.350	2.350	47422T AN7
2033	395,000	2.400	2.400	47422T AP2
2034	400,000	2.450	2.450	47422T AQ0
2035	410,000	2.500	2.500	47422T AR8
2036	420,000	2.550	2.550	47422T AS6
2037	435,000	2.600	2.600	47422T AT4
2038	445,000	2.650	2.650	47422T AU1
2039	455,000	2.700	2.700	47422T AV9

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\* Yield calculated to the first optional redemption date of September 1, 2026.

**CITY OF JEFFERSON, MISSOURI**

320 E. McCarty Street  
Jefferson City, Missouri 65101  
(573) 634-6300

**CITY OFFICIALS**

**Mayor**

Carrie Tergin

**City Council Members**

Rick Prather, Councilmember Ward 1	David Kemna, Councilmember Ward 1
J. Rick Mihalevich, Councilmember Ward 2	Laura A. Ward, Councilmember Ward 2
Erin L. Wiseman, Councilmember Ward 3	Ken Hussey, Councilmember Ward 3
Carlos M. Graham, Councilmember Ward 4	Ron L. Fitzwater, Councilmember Ward 4
Mark Schreiber, Councilmember Ward 5	Jon Hensley, Councilmember Ward 5

**Administrative Officials**

Steven S. Crowell, Jr., City Administrator  
Ryan Moehlman, City Counselor  
Emily Donaldson, City Clerk  
Margaret Mueller, Director of Finance  
Todd Spalding, Director of Parks, Recreation & Forestry

**BOND COUNSEL**

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

**FINANCIAL ADVISOR**

Piper Jaffray & Co.  
Leawood, Kansas

**PAYING AGENT**

UMB Bank, N.A.,  
St. Louis, Missouri

## **REGARDING USE OF THIS OFFICIAL STATEMENT**

No dealer, broker, salesman 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 which are 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 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 that information.

In connection with this offering, the Underwriter may overallocate 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 in or incorporated by reference in this Official Statement that are not purely historical are "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, and reflect the City's current expectations, hopes, intentions, or strategies regarding the future. Such statements may be identifiable by the terminology used such as "plan," "expect," "estimate," "budget," "intend" 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. INCLUDED IN SUCH RISKS AND UNCERTAINTIES ARE (i) THOSE RELATING TO THE POSSIBLE INVALIDITY OF THE UNDERLYING ASSUMPTIONS AND ESTIMATES, (ii) POSSIBLE CHANGES OR DEVELOPMENTS IN SOCIAL, ECONOMIC, BUSINESS, INDUSTRY, MARKET, LEGAL AND REGULATORY CIRCUMSTANCES, AND (iii) CONDITIONS AND ACTIONS TAKEN OR OMITTED TO BE TAKEN BY THIRD PARTIES, INCLUDING CUSTOMERS, SUPPLIERS, BUSINESS PARTNERS AND COMPETITORS, AND LEGISLATIVE, JUDICIAL AND OTHER GOVERNMENTAL AUTHORITIES AND OFFICIALS. ASSUMPTIONS RELATED TO THE FOREGOING INVOLVE JUDGMENTS WITH RESPECT TO, AMONG OTHER THINGS, FUTURE ECONOMIC, COMPETITIVE, AND MARKET CONDITIONS AND FUTURE BUSINESS DECISIONS, ALL OF WHICH ARE DIFFICULT OR IMPOSSIBLE TO PREDICT ACCURATELY. FOR THESE REASONS, THERE CAN BE NO ASSURANCE THAT THE FORWARD-LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENT WILL PROVE TO BE ACCURATE.

UNDUE RELIANCE SHOULD NOT BE PLACED ON FORWARD-LOOKING STATEMENTS. ALL FORWARD-LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENT ARE BASED ON INFORMATION AVAILABLE TO THE CITY ON THE DATE HEREOF, AND THE CITY ASSUMES NO OBLIGATION TO UPDATE ANY SUCH FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR OR FAIL TO OCCUR, OTHER THAN AS SET FORTH IN **APPENDIX D - FORM OF CONTINUING DISCLOSURE UNDERTAKING** TO THIS OFFICIAL STATEMENT.

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## OFFICIAL STATEMENT

**\$7,305,000**  
**CITY OF JEFFERSON, MISSOURI**  
**SPECIAL OBLIGATION IMPROVEMENT BONDS**  
**(PARKS SYSTEM PROJECT)**  
**SERIES 2019**

### 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 Jefferson, Missouri (the “**City**”) and (2) the Special Obligation Improvement Bonds (Parks System Project), Series 2019 (the “**Bonds**”), to be issued by the City in the aggregate principal amount of \$7,305,000.

#### **The City**

The City is the capital of the State of Missouri and county seat of Cole County, Missouri. The City is a home rule charter city and political subdivision of the State of Missouri, organized, existing and operating under the constitution and laws of the State of Missouri and the City Charter, originally adopted in 1986, and exercises powers of municipal government specifically granted by the State of Missouri. For more information about the City, see *Appendix A* and *Appendix B* to this Official Statement.

#### **The Bonds**

The Bonds are being issued pursuant to an ordinance to be passed by the City Council of the City on November 18, 2019 (the “**Bond Ordinance**”) for the purpose of (1) paying the costs of various improvements to the City’s parks and recreation system (the “**Parks System**”), and (2) paying costs related to the issuance of the Bonds. See the sections captioned “**THE BONDS**” and “**PLAN OF FINANCING**” in this Official Statement.

#### **Security and Source of Payment**

The payment of the principal of and interest on the Bonds is subject to annual appropriation by the City Council. The City Council is not required or obligated to make any such appropriation. No property of the City is pledged or encumbered, and no reserve fund has been established, to secure payment of the Bonds.

The Bonds and the interest thereon will constitute special obligations of the City payable solely from amounts appropriated in each Fiscal Year (defined herein) (1) out of the income and revenues of the City provided for such Fiscal Year, plus (2) any unencumbered balances from previous Fiscal Years. The City is not obligated to make any such annual appropriation.

The Bonds do not constitute general obligations or indebtedness of the City within the meaning of any constitutional or statutory limitation or provision, and the City does not pledge its full faith and credit and is not obligated to levy taxes or resort to any other moneys or property of the City to pay the principal of and interest on the Bonds. The fiscal year of the City begins on each November 1 and ends on October 31 (each a “**Fiscal Year**”). See the section captioned “**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS**” in this Official Statement.

### **Financial Statements**

Audited financial statements of the City as of and for the Fiscal Year ended October 31, 2018, are included in the City’s Comprehensive Annual Financial Report in *Appendix B* to this Official Statement. These financial statements have been audited by Evers & Company, CPA’s, L.L.C., Jefferson City, Missouri, independent certified public accountants, to the extent and for the periods indicated in their report, which is also included in *Appendix B* to this Official Statement.

### **Summary of the Bond Ordinance**

A summary of the Bond Ordinance, including definitions of certain capitalized words and terms used in this Official Statement and in the Bond Ordinance, is included in *Appendix C* - “**Summary of the Bond Ordinance**” to this Official Statement. Such summary and definitions do not purport to be complete, comprehensive or definitive and is qualified in its entirety by reference thereto. All references herein to the Bond Ordinance are qualified in their entirety by reference to the Bond Ordinance. Copies of the Bond Ordinance and this Official Statement may be viewed at the office of the City’s financial advisor, Piper Jaffray & Co., 11635 Rosewood Street, Leawood, Kansas 66211, (913) 345-3373, or will be provided to any prospective purchaser requesting the same. All capitalized terms used in this Official Statement and not otherwise defined in this Official Statement have the meanings assigned to those terms in the Bond Ordinance.

### **Continuing Disclosure Information**

The City has agreed to provide certain annual financial information and notices of certain enumerated material events to the Municipal Securities Rulemaking Board (the “**MSRB**”) via the Electronic Municipal Market Access system (“**EMMA**”), in accordance with Rule 15c2-12 promulgated by the Securities and Exchange Commission (the “**Rule**”). Pursuant to a Continuing Disclosure Undertaking, the City has agreed to provide to the MSRB via EMMA the annual financial information and notices of certain enumerated material events in compliance with the Rule. For further details, see the section captioned “**CONTINUING DISCLOSURE**” herein and *Appendix D* - “**Form of Continuing Disclosure Undertaking**” to this Official Statement.

## **PLAN OF FINANCING**

### **Authorization and Purpose of the Bonds**

The Bonds are authorized pursuant to and in full compliance with the Constitution and statutes of the State of Missouri, the City’s Charter and the Bond Ordinance. The Bonds are being issued for the purpose of (1) paying the costs of various improvements to the City’s Parks System as further detailed under the section captioned “**PLAN OF FINANCING - The Project**” (below) and (2) paying costs related to the issuance of the Bonds.



## The Project

The Bonds are being issued for the purpose of paying the costs of various improvements, renovations, expansions, repairs, replacements and additions to the City's Parks System, including the following (collectively, the "Project"):

- Community parks improvements will consist of the construction, installation and equipping of an 18,650 sq. ft. playground, a spray ground, two open air parks shelters, a restroom/storage facility as well as associated signage, sidewalks, parking, lighting, irrigations and utilities. The City estimates this portion of the Project will cost approximately \$3,103,500. This portion of the Project is currently under construction and is expected to be completed by January 2020.
- McClung Park Pavilion improvements will consist of the construction and installation of a new deck, entry doors, metal roof, catering area as well as improvements to sound attenuation, crack remediation, parking lot resurfacing, and installation of new signage and security cameras. The City estimates this portion of the Project will cost approximately \$996,300. This portion of the Project is scheduled to begin in March 2020 and is expected to be completed by October 2020.
- Ellis Porter Riverside improvements will consist of the construction of a new Amphitheater structure containing a band shell, service drive, vendor area, security cameras, seating and hard surface circulation, as well as improvements to two ballfields and installation of site signage and parking lot lighting. The City estimates this portion of the Project will cost approximately \$2,970,000. This portion of the Project is scheduled to begin in March 2020 and is expected to be completed by October 2020.

In accordance with the Bond Ordinance, proceeds from the sale of the Bonds will be deposited by the City in the Project Fund established under the Bond Ordinance. Such proceeds will be used by the City solely to pay costs of issuing the Bonds and to pay costs of the Project, in accordance with the plans and specifications for the respective portions of said Project.

## Sources and Uses of Funds

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

### *Sources of Funds:*

Principal amount of the Bonds	\$7,305,000.00
Net reoffering premium	<u>164,572.75</u>
Total	\$7,469,572.75

### *Uses of Funds:*

Deposit to Project Fund	\$7,300,000.00
Costs of issuance for the Bonds <sup>(1)</sup>	<u>169,572.75</u>
Total	\$7,469,572.75

<sup>(1)</sup> Includes Underwriter's discount of \$78,537.73.

## 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 are being issued in the aggregate principal amount of \$7,305,000. The Bonds are dated as of the date of original delivery of and payment for such Bonds and the principal is payable on September 1 in the years and in the principal amounts set forth on the inside cover page hereof, subject to redemption and payment prior to maturity, upon the terms and conditions described under the section herein captioned “**THE BONDS – Redemption Provisions.**” Interest on the Bonds is calculated at the rates per annum set forth on the inside cover page, computed on the basis of a 360-day year of twelve 30-day months. The Bonds shall consist of fully-registered bonds in denominations of \$5,000 or any integral multiple thereof. Interest on the Bonds is payable from the date thereof or the most recent date to which said interest has been paid and is payable semiannually on March 1 and September 1 (each an “**Interest Payment Date**”), beginning March 1, 2020.

The interest payable on each Bond on any Interest Payment Date will be paid to the person in whose name such Bond is registered (the “**Registered Owner**” or “**Owner**”) as shown on the registration books (the “**Bond Register**”) at the close of business on the 15<sup>th</sup> day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date (the “**Record Date**”) for such interest (1) by check or draft mailed by UMB Bank, N.A., St. Louis, Missouri, as paying agent for the Bonds (the “**Paying Agent**”), to the address of such Registered Owner shown on the Bond Register or such other address furnished to the Paying Agent in writing by such Registered Owner, or (2) or, in the case of an interest payment to the Securities Depository or any Registered Owner, by electronic transfer to such Registered Owner upon written notice signed by such Registered Owner and given to the Paying Agent not less than 15 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), its ABA routing number and the account number to which such Registered Owner wishes to have such transfer directed, and an acknowledgment that an electronic transfer fee may be applicable.

The principal or Redemption Price (as defined herein) of each Bond will be paid at Maturity by check or draft to the Registered Owner at the Maturity thereof, upon presentation and surrender of such Bond at the principal payment office of the Paying Agent, or such other office designated by the Paying Agent.

### Redemption Provisions

**Optional Redemption.** At the option of the City, the Bonds or portions thereof maturing on September 1, 2027, and thereafter will be subject to redemption and payment prior to maturity, on September 1, 2026, and thereafter in whole or in part at any time at the redemption price of 100% of the principal amount thereof, plus accrued interest to the redemption date.

**Selection of Bonds for Redemption.** 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 maturities selected by the City, and Bonds of less than a full maturity shall be selected by the Paying Agent in \$5,000 units of principal amount in such equitable manner as the Paying Agent may determine.

In the case of a partial redemption of Bonds at the time Outstanding in denominations greater than \$5,000, then for all purposes in connection with such redemption each \$5,000 of face value shall be treated as though it were a separate Bond of the denomination of \$5,000. If it is determined that one or more, but not all, of the \$5,000 units of face value represented by any Bond are selected for redemption, then upon notice of intention to redeem such \$5,000 unit or units, the Registered Owner of such Bond or the Registered Owner’s

duly authorized agent shall present and surrender such Bond to the Paying Agent (1) for payment of the price which such Bonds are to be redeemed (the “**Redemption Price**”) and interest to the date fixed for redemption (the “**Redemption Date**”) of such \$5,000 unit or units of face value called for redemption, and (2) for exchange, without charge to the Registered Owner thereof, for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond. If the Registered Owner of any such Bond shall fail to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the Redemption Date to the extent of the \$5,000 unit or units of face value called for redemption (and to that extent only).

**Notice of Call for Redemption.** Unless waived by any Registered Owner of Bonds to be redeemed, official notice of any redemption shall be given by the Paying Agent on behalf of the City by mailing a copy of an official redemption notice by first class mail at least 20 days prior to the Redemption Date to the Underwriter of the Bonds and each Registered Owner of the Bonds to be redeemed at the address shown on the Bond Register.

With respect to optional redemptions, such notice may be conditioned upon moneys being on deposit with the Paying Agent on or prior to the Redemption Date in an amount sufficient to pay the Redemption Price on the Redemption Date. If such notice is conditional and either the Paying Agent receives written notice from the City that moneys sufficient to pay the Redemption Price will not be on deposit on the Redemption Date, or such moneys are not received on the Redemption Date, then such notice shall be of no force and effect, the Paying Agent shall not redeem such Bonds and the Paying Agent shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not or will not be so received and that such Bonds will not be redeemed.

The failure of any Registered Owner to receive notice given as heretofore provided or any defect therein shall not invalidate any redemption.

So long as DTC is effecting book-entry transfers of the Bonds, the Paying Agent shall provide the notices specified in the Bond Ordinance to DTC. It is expected that DTC will, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of DTC or a 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 Participant or otherwise) to notify the Beneficial Owner of the Bond so affected, will not affect the validity of the redemption of such Bond. See *Appendix E - “Book-Entry Only System”* to this Official Statement.

**Effect of Call for Redemption.** Official notice of redemption having been given as provided in the Bond Ordinance, 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. Upon surrender of such Bonds for redemption in accordance with such notice, the Redemption Price of such Bonds shall be paid by the Paying Agent. Installments of interest due on or prior to the Redemption Date shall be payable as provided in the Bond Ordinance for payment of interest. Upon surrender for any partial redemption of any Bond, the Paying Agent shall prepare for the Registered Owner a new Bond or Bonds of the same Stated Maturity in the amount of the unpaid principal as provided in the Bond Ordinance. All Bonds that have been surrendered for redemption shall be canceled and destroyed by the Paying Agent pursuant to the Bond Ordinance and shall not be reissued.

The failure of any Registered Owner to receive notice given as heretofore provided or any defect therein shall not invalidate any redemption.

### **Registration, Transfer and Exchange of Bonds**

The City will cause the Bond Register to be kept at the principal office of the Paying Agent for the registration, transfer and exchange of Bonds as provided in the Bond Ordinance. Each Bond when issued shall be registered in the name of the Owner thereof on the Bond Register.

Bonds may be transferred and exchanged only on the Bond Register as provided in the Bond Ordinance. Upon surrender of any Bond at the principal payment office of the Paying Agent, the Paying Agent shall transfer or exchange such Bond for a new Bond or Bonds in any authorized denomination of the same Stated Maturity and in the same aggregate principal amount as the Bond that was presented for transfer or exchange. Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Paying Agent, duly executed by the Registered Owner thereof or by the Registered Owner's duly authorized agent.

In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of the Bond Ordinance. The City shall pay the fees and expenses of the Paying Agent for the registration, transfer and exchange of Bonds provided for in the Bond Ordinance and the cost of printing a reasonable supply of registered bond blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Paying Agent, are the responsibility of the Registered Owners of the Bonds. In the event any Registered Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Registered Owner sufficient to pay any governmental charge required to be paid as a result of such failure.

The City and the Paying Agent shall not be required (a) to register the transfer or exchange of any Bond after notice calling such Bond or portion thereof for redemption has been given or during the period of fifteen days next preceding the first mailing of such notice of redemption; or (b) to register the transfer or exchange of any Bond during a period beginning at the opening of business on the day after receiving written notice from the City of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest pursuant the Bond Ordinance.

### **Book-Entry Only System**

Ownership interests in the Bonds will be available to purchasers only through a book-entry only system (the "**Book-Entry Only System**") described in *Appendix E - "Book-Entry Only System"* to this Official Statement.

## **SECURITY AND SOURCES OF PAYMENT FOR THE BONDS**

The Bonds are special obligations of the City payable solely from amounts appropriated by the City in each Fiscal Year (1) out of the income and revenues provided for such Fiscal Year plus (2) any unencumbered balances from previous Fiscal Years. **The Bonds do not constitute general obligations or indebtedness of the City within the meaning of any constitutional, statutory or City Charter limitation or provision, and the City does not pledge its full faith and credit and is not obligated to levy taxes or resort to any other moneys or property of the City to pay the principal of and interest on the Bonds.**

The payment of the principal of and interest on the Bonds is subject to an annual appropriation by the City Council. Pursuant to the Bond Ordinance, the City Council has directed the City Administrator, the Director of Finance or any other officer of the City at any time charged with the responsibility of formulating budget proposals to include in each annual budget an appropriation of the amount necessary (after taking into account any moneys legally available for such purpose) to pay debt service on the Bonds. However, the City Council is not required or obligated to make any such annual appropriation and the decision whether or not to appropriate such funds will be solely within the discretion of the then current City Council. No property of the City is pledged or encumbered, and no reserve fund has been established, as security for payment of the Bonds.

It is the current intention of the City to satisfy its obligation to make debt service payments on the Bonds, subject to annual appropriation by the City Council, from revenues generated by the City's 0.50% local parks sales tax. However, the City's obligation to make such debt service payments is not limited to the revenues generated from the 0.50% local parks sales tax, and such 0.50% local parks sales tax revenues are not and cannot be pledged to the payment of the Bonds. See the section captioned "**RISK FACTORS - Revenue**

**Sources**” herein and the section captioned “**TAX INFORMATION - Sales Tax Collections**” in *Appendix A* to this Official Statement.

## **RISK FACTORS**

*The following section describes certain risk factors affecting the payment of and security for the Bonds. The following discussion of risks is not meant to be an exhaustive list of the risks associated with the purchase of Bonds and does not necessarily reflect the relative importance of the various risks. Potential investors are advised to consider the following factors along with all other information in this Official Statement in evaluating the Bonds. There can be no assurance that other risk factors will not become material in the future.*

### **Limited Obligations**

**THE BONDS DO NOT GIVE RISE TO A GENERAL OBLIGATION OR OTHER INDEBTEDNESS OF THE CITY, THE STATE OF MISSOURI, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CITY CHARTER DEBT LIMITATION OR PROVISION.**

**THE BONDS SHALL BE SPECIAL OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE ANNUAL APPROPRIATION OF FUNDS BY THE CITY FOR THAT PURPOSE. IN EACH FISCAL YEAR, PAYMENTS OF PRINCIPAL OF AND INTEREST ON THE BONDS SHALL BE MADE SOLELY FROM THE AMOUNTS APPROPRIATED THEREFOR (1) OUT OF THE INCOME AND REVENUES OF THE CITY PROVIDED FOR SUCH FISCAL YEAR PLUS (2) ANY UNENCUMBERED BALANCES FOR PREVIOUS FISCAL YEARS, AND THE DECISION WHETHER TO MAKE SUCH APPROPRIATION EACH YEAR SHALL BE WITHIN THE SOLE DISCRETION OF THE THEN CURRENT CITY COUNCIL. SUBJECT TO THE PRECEDING SENTENCE, THE OBLIGATIONS OF THE CITY TO MAKE PAYMENTS HEREUNDER AND TO PERFORM AND OBSERVE ANY OTHER COVENANT AND AGREEMENT CONTAINED IN THE BOND ORDINANCE SHALL BE ABSOLUTE AND UNCONDITIONAL.**

**IF THE CITY FAILS TO APPROPRIATE AMOUNTS SUFFICIENT TO PAY THE PRINCIPAL AND INTEREST ON THE BONDS IN ANY FISCAL YEAR, NO OTHER FUNDS OR PROPERTY WILL BE AVAILABLE TO PAY SUCH PRINCIPAL AND INTEREST. NO PROPERTY OF THE CITY IS PLEDGED OR ENCUMBERED, NOR HAS ANY RESERVE FUND BEEN ESTABLISHED, TO SECURE PAYMENT OF THE BONDS.**

### **Revenue Sources**

At an election held in the City in April 2005, the required majority of the qualified voters in the City approved the 0.50% local parks sales tax (“**0.50% Local Parks Sales Tax**”) for the purpose of funding parks and recreation programs and facilities for the City, which became effective on October 1, 2005.

It is the current intention of the City to pay principal of and interest on the Bonds from revenues generated by the 0.50% Local Parks Sales Tax. **However, the payments of principal of and interest on the Bonds is not limited to revenues generated by the 0.50% Local Parks Sales Tax, and such revenues generated by the 0.50% Local Parks Sales Tax are not, and cannot be, pledged to the payment of principal of and interest on the Bonds. In each Fiscal Year, payments of principal of and interest due on the Bonds will be made solely from amounts appropriated by the City Council for that purpose (1) out of the income and revenues of the City for such Fiscal Year, which may include revenues generated by the City’s 0.50% Local Parks Sales Tax, plus (2) any unencumbered balances for previous Fiscal Years.** For more detailed information on the potential revenue sources, including the 0.50% Local Parks Sales Tax, see the section captioned “**TAX INFORMATION - Sales Tax Collections**” in *Appendix A* attached to 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 Credit Enhancement or Reserve Fund**

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.

## **Rating**

S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P"), has assigned the Bonds the rating set forth under "**RATING**" in this Official Statement. Such rating reflects only the views of S&P, 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 they will not be revised, either downward or upward, or withdrawn entirely, by S&P if, in their judgment, circumstances warrant. Any such downward revisions or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

## **Enforcement of Remedies**

The enforcement of the remedies under the Bond Ordinance may be limited or restricted by federal or State of Missouri laws or by the application of judicial discretion, and may be delayed in the event of litigation to enforce the remedies. State of Missouri laws concerning the use of assets of political subdivisions and federal and State of Missouri laws relating to bankruptcy, fraudulent conveyances, and rights of creditors may affect the enforcement of remedies. Similarly, the application of general principles of equity and the exercise of judicial discretion may preclude or delay the enforcement of certain remedies. The legal opinions to be delivered with the issuance of the Bonds will be qualified as they relate to the enforceability of the various legal instruments by reference to the limitations on enforceability of those instruments under (1) applicable bankruptcy, insolvency, reorganization or similar laws affecting the enforcement of creditors' rights, (2) general principles of equity, and (3) the exercise of judicial discretion in appropriate cases.

*[Remainder of this page intentionally left blank.]*

## **Amendment of the Bond Ordinance**

Certain amendments, effected by ordinance of the City, to the Bonds and the Bond Ordinance may be made with the written consent of the Registered 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; provided that, no amendments may (1) extend the maturity of any payment of principal or interest due upon any Bond; (2) effect a reduction in the amount which the City is required to pay as principal of or interest on any Bond; (3) permit preference or priority of any Bond over any other Bond; or (4) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of the Bond Ordinance without the written consent of the Registered Owners of all of the Bonds at the time outstanding. The City may also amend or supplement the Bond Ordinance, without notice to or the consent of any Registered Owners, for the purpose of curing any formal defect, omission, inconsistency or ambiguity therein or in connection with any other change therein that is not materially adverse to the security of the Registered Owners.

## **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 State of 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, redemption premium or penalty if the interest on the Bonds becomes included in gross income for federal and Missouri income tax purposes. See the section captioned “**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.

## **Loss of Premium from Redemption**

Any person who purchases the Bonds at a price in excess of their principal amount or who holds such Bonds trading at a price in excess of par should consider the fact that the Bonds are subject to redemption prior to maturity at the redemption prices described under the section captioned “**THE BONDS – Redemption Provisions**” in this Official Statement in the event such Bonds are redeemed prior to maturity.

## **Defeasance Risks**

When all Bonds are deemed paid and discharged as provided in the Bond Ordinance, the requirements contained in the Bond Ordinance 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 or prior Redemption 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.

## Cybersecurity Risks

The City relies on its information systems to provide security for processing, transmission and storage of confidential personal, health-related, credit and other information. It is possible that the City's security measures will not prevent improper or unauthorized access or disclosure of personally identifiable information resulting from cyber-attacks. Security breaches, including electronic break-ins, computer viruses, attacks by hackers and similar breaches can create disruptions or shutdowns of the City and the services it provides, or the unauthorized disclosure of confidential personal, health-related, credit and other information. If personal or otherwise protected information is improperly accessed, tampered with or distributed, the City may incur significant costs to remediate possible injury to the affected persons, and the City may be subject to sanctions and civil penalties if it is found to be in violation of federal or state laws or regulations. Any failure to maintain proper functionality and security of information systems could interrupt the City's operations, delay receipt of revenues, damage its reputation, subject it to liability claims or regulatory penalties and could have a material adverse effect on its operations, financial condition and results of operations.

## Pensions and Other Postemployment Benefits

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. As a LAGERS participant, the City is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS, which rate is the estimated amount necessary to finance the cost of benefits earned by City employees during the year, with an additional amount to finance an unfunded accrued liability. The City also provides other postemployment benefits as part of the total compensation offered to attract and retain the services of qualified employees. See the section captioned "**FINANCIAL INFORMATION – Other Postemployment Benefits**" in *Appendix A* of this Official Statement. Future required contribution increases to LAGERS or increases in the cost of providing the City's other postemployment benefits beyond the then 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.

## Other Factors Affecting the City

One or more of the following factors or events could adversely affect the City's operations and financial performance to an extent that cannot be determined at this time (please see "4. *Natural Disasters*" below for a discussion about recent flooding and tornado damage that impacted the City in May and June 2019):

1. *Changes in Administration.* Changes in key administrative personnel could affect the capability of management of the City.
2. *Future Economic Conditions.* Adverse economic conditions or changes in demographics in the City, including increased unemployment and inability to control expenses in periods of inflation, could adversely impact the City's financial condition.
3. *Insurance Claims.* Increases in the cost of general liability insurance coverage and the amounts paid in settlement of liability claims not covered by insurance could adversely impact the City's financial condition.
4. *Natural Disasters.* On May 22, 2019, a tornado struck in an approximate 3 square-mile area of the City causing damage to various commercial and residential properties as well as properties and infrastructure owned and maintained by the State of Missouri and the City. In May and June of 2019, severe storms and rainfall also resulted in flooding of the Missouri River and various waterways throughout the central Missouri region, including certain areas of the City.



While the City is located on the Missouri River, the vast majority of the commercial and residential properties within the City, as well as the majority of City-owned property, is located on the south side of the Missouri River (in Cole County, Missouri), which is at an elevation higher than the banks of the Missouri River. As a result of the higher elevation, this portion of the City only sustained minimal damage as a result of the flooding that occurred in the Summer of 2019. The area of the City located on the north side of the Missouri River (in Callaway County, Missouri), which is where the City-owned Jefferson City Memorial Airport is located, is at a lower elevation that borders the Missouri River and has historically been prone to flooding. As a result of the lower elevation, the properties located in this area, including the City-owned Jefferson City Memorial Airport, sustained significant damage as a result of flooding in the Summer of 2019; however, this area of the City is sparsely populated and only contains a small number of commercial properties.

Although the tornado and flooding has resulted in increased expenses for the City and caused property damage that may decrease the future assessed valuation of residential and commercial properties that sustained damage within the City, the City does not anticipate that these repercussions will materially impact the City's general or financial operations. The City is also applying for reimbursements from the Federal Emergency Management Agency to offset a portion of the costs the City has incurred as a result of repairing and reconstructing property and infrastructure damaged by the tornado and flooding. See also the section captioned "**TAX INFORMATION - Property Valuations - May 2019 Tornado Impact on Future Assessed Valuations**" in *Appendix A* hereto.

The occurrence of future tornadoes or floods or other natural disasters, such as droughts or earthquakes, could damage the facilities of the City, interrupt services or otherwise impair operations and the ability of the City to produce revenues.

5. *Organized Labor Efforts.* The City's firefighters are represented by Fire Fighters I.A.F.F. Local 671 and the City's police officer employees are represented by the Fraternal Order of Police. Although the City has not experienced any adverse labor negotiations with these union groups, future adverse negotiations could result in increased labor costs. Furthermore, efforts of other employees of the City to organize into collective bargaining units could result in adverse labor actions or increased labor costs.

## **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 which may provide a revenue source to pay, subject to annual appropriation by the City Council, the principal and interest on 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, as bond counsel to the City. Gilmore & Bell, P.C., will also pass upon certain legal matters relating to this Official Statement.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein.

By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transactions opined upon or of the future performance of parties to such transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

## **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., as bond counsel to the City (“**Bond Counsel**”), under the law existing as of the issue date of the Bonds:

***Federal and State of 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.*** The interest on the Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax.

***No Bank Qualification.*** The Bonds have not been designated as “qualified tax-exempt obligations” for purposes 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 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 captioned “**TAX MATTERS**” in this Official Statement.

### **Other Tax Consequences**

***Original Issue Discount.*** For federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a Bond over its issue price. The issue price of a Bond is generally the first price at which a substantial amount of the Bonds of that maturity have been sold to the public. Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis. The amount of original issue discount 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 original issue discount 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 original issue discount 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 original issue discount.

**Original Issue Premium.** For federal income tax purposes, premium is the excess of the issue price of a Bond over its stated redemption price at maturity. The issue price of a Bond is generally the first price at which a substantial amount of the Bonds of that maturity have been sold to the public. Under Section 171 of the Code, premium on tax-exempt bonds amortizes 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, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on 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.

## RATING

S&P has assigned the Bonds the rating of "AA-". Such rating reflects only the view of S&P at the time the rating is given, and the City, the Financial Advisor and the Underwriter make no representation as to the appropriateness of the rating or that the rating will not be changed, suspended or withdrawn.

The City has furnished S&P 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 rating of the Bonds or to oppose any such proposed revision or withdrawal. Any such revision or withdrawal of the rating could have an adverse effect on the market price and marketability of the Bonds.

## CONTINUING DISCLOSURE

Pursuant to a Continuing Disclosure Undertaking (the “**Disclosure Undertaking**”), the City has agreed to provide to the MSRB, *via* the EMMA system, not later than April 30th after the end of each Fiscal Year, beginning with the City’s Fiscal Year ended October 31, 2019, (1) the audited financial statements of the City for the prior fiscal year and (2) certain operating data of the City in accordance with the Rule. The financial statements of the City are audited by the City’s independent certified public accountants. Under the Disclosure Undertaking, the City has also agreed to provide prompt notice of the occurrence of certain enumerated material events relating to the Bonds in compliance with the Rule. See also *Appendix D - “Form of Continuing Disclosure Undertaking”* to this Official Statement.

The City has entered into prior undertakings under Rule. The City believes that in the past five years it has complied in all material respects with its prior undertakings under the Rule.

The City has also approved a Tax and Securities Compliance Policy and Procedure dated May 5, 2014, setting forth policies and procedures to promote compliance with federal tax law and with the City’s continuing disclosure undertakings for all tax-exempt and other tax-advantaged obligations of the City after issuance of such bonds and obligations.

In connection with the issuance of the City’s Sewerage System Revenue Bonds, Series 2014, the City entered into a five-year engagement with Gilmore & Bell, P.C., whereby Gilmore & Bell, P.C., assists the City in preparing and submitting the City’s Annual Reports on a timely basis to the MSRB, *via* EMMA.

## MISCELLANEOUS

### Financial Statements

The City’s Comprehensive Annual Financial Report for the Fiscal Year Ended October 31, 2018, which includes the audited financial statements of the City as of and for the Fiscal Year ended October 31, 2018, are included in *Appendix B*. These financial statements have been audited by Evers & Company, CPA’s, L.L.C., Jefferson City, Missouri, independent certified public accountants, to the extent and for the periods indicated in their report which is also included in *Appendix B*.

### Financial Advisor

Piper Jaffray & Co., Leawood, Kansas, is employed as financial advisor to the City to render certain professional services, including advising the City on a plan of financing in connection with the planning, structuring and issuance of the Bonds and various other debt related matters (the “**Financial Advisor**”). 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 November 20, 2019, the Bonds were awarded to D.A. Davidson & Co. (the “**Underwriter**”). The Underwriter has agreed, subject to certain conditions, to purchase the Bonds from the City at a purchase price of \$7,391,035.02 (equal to the par amount of the Bonds plus a net original issue premium of \$164,572.75, less an underwriting discount of \$78,537.73). 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 hereof. 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.

*[Remainder of this page intentionally left blank.]*

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 City Council members, officers 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 JEFFERSON, MISSOURI**

By: /s/ Carrie Tergin  
Mayor

APPENDIX A

CITY OF JEFFERSON, MISSOURI

GENERAL, ECONOMIC AND FINANCIAL INFORMATION

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## GENERAL AND ECONOMIC INFORMATION CONCERNING THE CITY

### Location and Size

The majority of the City is located in Cole County, Missouri, and a portion of the City is located in Callaway County, Missouri (collectively, the “**Counties**”), in the central portion of the State of Missouri approximately 150 miles from both Kansas City and St. Louis, Missouri. The City encompasses approximately 37.48 square miles and has a 2018 estimated population of 42,838 according to the U.S. Census Bureau.

### Government and Organization

The City is the capital of Missouri and county seat of Cole County. It is a home rule charter city and political subdivision of the State of Missouri, organized, existing and operating under the constitution and laws of the State of Missouri and the City Charter, adopted in 1986, and exercises powers of municipal government specifically granted by the State of Missouri. The City is governed by the Mayor, elected for a four-year term, and ten Council members elected for overlapping two-year terms from five districts. The Mayor presides over Council meetings, and has veto power over Council enactments. The City Administrator is nominated and appointed by the Mayor, and is responsible for coordination and general supervision of all departmental operations. The City Administrator recommends the appointment and removal of department and division heads to the Mayor and the Council, with the exception of those divisions governed under the Parks and Recreation Commission and the Police Personnel Board. The City budget is prepared by the City Administrator after consultation with each department, and is reviewed and adopted by the City Council. As required by Missouri law, the aggregate City budget may not include any expenditures in excess of anticipated revenues. The City’s Fiscal Year ends on October 31 and begins on November 1.

The elected City Council members and Mayor of the City are as follows:

<u>Name</u>	<u>Title</u>	<u>First Term Began</u>	<u>Current Term Began</u>	<u>Term Expires</u>
Carrie Tergin	Mayor	2015	2019	2023
Rick Prather	Ward 1, Councilmember	2012	2018	2020
David Kemna	Ward 1, Councilmember	2017	2019	2021
J. Rick Mihalevich	Ward 2, Councilmember	2012	2018	2020
Laura A. Ward	Ward 2, Councilmember	2015	2019	2021
Erin L. Wiseman	Ward 3, Councilmember	2016	2018	2020
Ken Hussey	Ward 3, Councilmember	2013	2019	2021
Carlos M. Graham	Ward 4, Councilmember	2013	2019	2021
Ron L. Fitzwater	Ward 4, Councilmember	2017 <sup>(1)</sup>	2018	2020
Mark Schreiber	Ward 5, Councilmember	2015	2019	2021
Jon Hensley	Ward 5, Councilmember	2018	2018	2020

<sup>(1)</sup> Councilmember Fitzwater was elected in April 2017 to serve the remaining one-year term of former councilmember Glen Costales who resigned from the City Council in November 2017.

Several key members of the City management are listed below:

*Steven S. Crowell, Jr., City Administrator.* Mr. Crowell was selected to be the City’s City Administrator in March of 2014. He manages the City Departments which are Administration (City Clerk, Human Resources, Information Technology Services and City Counselor), Public Works, Planning and Protective Services, Finance, Fire, Police and coordinates with Parks and Recreation and Forestry.

*Ryan Moehlman, City Counselor.* Mr. Moehlman was selected to be the City's City Counselor in 2016. He holds a Juris Doctorate (J.D.) from the University of Missouri - Kansas City School of Law. Mr. Moehlman supervises the Law Department and represents the City in legal matters.

*Margaret Mueller, Director of Finance.* Ms. Mueller was selected to be the City's Director of Finance and Information Technology Services in March of 2016. Ms. Mueller services as the fiscal officer of the City and supervises the finance division. Ms. Mueller's responsibilities include planning, organizing and supervising the fiscal management of the City, advising the City Administrator and City Council on financial matters, and supervising and managing Information Technology services and staff. Ms. Mueller has a B.S. Degree in Business Administration with an emphasis in Accounting from Columbia College and is a Certified Public Accountant.

*Todd Spalding, Director of Parks, Recreation and Forestry.* Mr. Spalding became Director of Parks, Recreation and Forestry for the City in 2016. As Director of Director of Parks, Recreation and Forestry, Mr. Spalding is responsible for hiring and managing all parks and recreation personnel, operating and programming all City recreation facilities, maintaining and managing all park grounds, trails and recreation facilities as well as implementing the Parks and Recreation Capital Improvement Program. Mr. Spalding also reports to and administers the policy decisions of the Parks and Recreation Commission, which is composed of nine-members who are citizens of the City. Mr. Spalding graduated from Southwest Baptist University with a B.S. Degree in in Business and Sports Management.

### **City Services, Utilities**

The City's Police Department is comprised of approximately 89 sworn officers and 37 civilian personnel, who are all assigned to one of three divisions within the Police Department: operations, special services, and support services. The City Fire Department is comprised of approximately 72 fire suppression personnel and 4 administrative staff personnel. The City Fire Department maintains five fire stations, an administration office, reserve apparatus storage facility and a training facility.

Electricity and natural gas are provided to the community by Ameren UE and Three Rivers Electric. Water is provided to the City by Missouri American Water Company, Public Water District #1, Public Water District #2 and Public Water District #4. The City owns and operates its own sewage system.

### **Transportation and Communication Facilities**

The City is located 30 miles south of Interstate 70. U.S. Highways 54, 63 and 50 go through the City. The City operates a public bus system. Amtrak makes daily stops in the City. Local phone service is provided by CenturyLink. One daily newspaper, the *News Tribune*, is published in the City. Several radio stations are operated in the City.

Jefferson City Memorial Airport, located two miles north of Jefferson City's central business district, is owned by the City and operated by the City Department of Public Works. The Jefferson City Memorial Airport sustained significant damage as a result of the flooding of the Missouri River in May and June of 2019 and was closed for approximately 51 days during that period. The Airport is currently operational; however, the City is in the process of demolishing the Airport terminal, which was severely damaged, and plans to construct a new terminal building.

### **Medical and Health Facilities**

The City is served by two hospitals including St. Mary's Health Center and Capital Region Medical Center, as well as several privately-owned, multi-specialty clinics. In addition other hospitals and medical centers close to the City include Callaway Community Hospital and Fulton State Hospital about 22 miles in Fulton, Missouri and Boone Hospital Center about 26 miles in Columbia, Missouri.

## Educational Institutions and Facilities

Public elementary and secondary education is provided by the Jefferson City School District (the “District”). The District’s boundaries encompasses the entire City as well as portions of Cole County and Callaway County outside of the City’s limits. The District consists of an early childhood center (Pre-K), 11 elementary schools (grades K-5), two middle schools (grades 6-8), one freshman center (grade 9), one high school (grades 10-12), one career center providing vocational training (grades 9-12) and one family center/alternative high school (grades 9-12), with an approximate total enrollment of 9,049 students. The District is also in the process of constructing a new high school that is expected to be completed by January 2020. The City also has four parochial elementary schools and three parochial high schools. There are also two private boarding schools in the central-Missouri region area: Kemper Military School in Boonville, Missouri and Missouri Military Academy in Mexico, Missouri. There are numerous colleges and universities located in the area providing higher education opportunities, which include Lincoln University, located in the City; the University of Missouri-Columbia, located in Columbia, Missouri; Columbia College of Missouri, located in Columbia, Missouri; Stephens College, located in Columbia, Missouri; and State Technical College, located in Linn, Missouri.

## Employment

Listed below are the current major employers located in the City and the number employed by each:

<u>Major Employers</u>	<u>Type of Business</u>	<u>Number of Employees</u>
State of Missouri	State government	14,174
Jefferson City Public Schools	Public education	1,627
Capital Region Medical Center	Healthcare	1,527
Scholastic, Inc.	School material distribution	1,500
Quaker Windows & Doors	Manufacturing	1,051
Central Bancompany	Banking services	1,020
SSM - St. Mary’s Hospital	Healthcare	982
ABB, Inc.	Manufacturing	865
City of Jefferson	City government	830
Walmart Supercenter (2 locations)	Retail	665
Jefferson City Medical Group	Healthcare	629

Source: Jefferson City Chamber of Commerce.

The following table sets forth unofficial employment figures for the City:

<u>Average for</u> <u>Year</u>	<u>Total</u> <u>Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployment</u> <u>Rate</u>
2019 <sup>(1)</sup>	20,249	19,633	616	3.04%
2018	20,291	19,738	553	2.73%
2017	20,625	19,962	663	3.21%
2016	21,321	20,505	816	3.83%
2015	21,167	20,280	887	4.19%

Source: MERIC (Missouri Economic Research and Information Center).

<sup>(1)</sup> Average for January 2019 through August 2019.

## Housing

The following table shows the median value of owner-occupied housing units in the City, Cole County, Callaway County and the State of Missouri:

**(2013-2017 Average Estimate)**

	<u>Median Home Value</u>
Jefferson City	\$140,200
Cole County	154,200
Callaway County	132,500
State of Missouri	145,400

*Source:* Missouri Census Data Center, American Community Survey, 5-year estimates (2013-2017).

## Building Construction

The following table indicates the number of building permits and total estimated valuation of these permits issued within the City over the Fiscal Years ended October 31, 2014 through October 31, 2018. These numbers reflect permits issued either for new construction or for major renovation.

	<b>Fiscal Year Ended October 31</b>				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Number</b>	400	403	468	384	408
<b>Value</b>	\$74,855,375	\$50,308,558	\$57,258,162	\$69,686,310	\$160,445,576 <sup>(1)</sup>

*Source:* The City.

<sup>(1)</sup> Increase as a result of permits for commercial alterations and additions valued at approximately \$79,588,687 and a permit for construction of a new high school for Jefferson City School District valued at approximately \$54,698,812.

As a result of a tornado that struck a portion of the City on May 22, 2019, and recent flooding that impacted the City in May and June of 2019, various commercial and residential properties within the City have sustained damage. As a result of this damage, the City has issued a higher number of building permits than it has in previous years. See also the sections captioned “**Tornado and Flooding in Summer 2019**” and “**TAX INFORMATION - Property Valuations - May 2019 Tornado Impact on Future Assessed Valuations**” herein.

## General Demographic Statistics

**Population.** The following table shows the population of the City according to the last three decennial censuses and the latest available estimate.

<u>Year</u>	<u>Population</u>
2018 <sup>(1)</sup>	42,838
2010	43,079
2000	39,636
1990	35,481

*Source:* U.S. Census Bureau.

<sup>(1)</sup> Estimate as of July 1, 2018.

**Income.** The following table presents per capita personal income<sup>(1)</sup> and the estimated median household income additional for the City, Cole County, Callaway County and the State of Missouri:

	<u>City</u>	<u>Cole County</u>	<u>Callaway County</u>	<u>State of Missouri</u>
Median Household Income (2013-2017 average)	\$48,132	\$54,216	\$53,180	\$51,542
Per Capital Income (2013-2017 average)	25,315	27,559	24,208	28,282

*Source:* Missouri Census Data Center, American Community Survey, 5-year estimates (2013-2017).

<sup>(1)</sup> Per Capita Personal Income is the annual total personal income of residents divided by resident population as of July 1. **“Personal Income”** is the sum of net earnings by place of residence, rental income of persons, personal dividend income, personal interest income, and transfer payments. **“Net Earnings”** is earnings by place of work — the sum of wage and salary disbursements (payrolls), other labor income, and proprietors’ income — less personal contributions for social insurance, plus an adjustment to convert earnings by place of work to a place-of-residence basis. Personal Income is measured before the deduction of personal income taxes and other personal taxes and is reported in current dollars (no adjustment is made for price changes).

### **Tornado and Flooding in Summer 2019**

On May 22, 2019, a tornado struck in an approximate 3 square-mile area of the City causing damage to various commercial and residential properties as well as properties and infrastructure owned and maintained by the State of Missouri and the City. In May and June of 2019, severe storms and rainfall also resulted in flooding of the Missouri River and various waterways throughout the central Missouri region, including certain areas of the City.

While the City is located on the Missouri River, the vast majority of the commercial and residential properties within the City, as well as the majority of City-owned property, is located on the south side of the Missouri River (in Cole County, Missouri), which is at an elevation higher than the banks of the Missouri River. As a result of the higher elevation, this portion of the City only sustained minimal damage as a result of the flooding that occurred in the Summer of 2019. The area of the City located on the north side of the Missouri River (in Callaway County, Missouri), which is where the City-owned Jefferson City Memorial Airport is located, is at a lower elevation that borders the Missouri River and has historically been prone to flooding. As a result of the lower elevation, the properties located in this area, including the City-owned Jefferson City Memorial Airport, sustained significant damage as a result of flooding in the Summer of 2019; however, this area of the City is sparsely populated and only contains a small number of commercial properties.

Although the tornado and flooding has resulted in increased expenses for the City and caused property damage that may decrease the future assessed valuation of residential and commercial properties that sustained damage within the City, the City does not anticipate that these repercussions will materially impact the City’s general or financial operations. The City is also applying for reimbursements from the Federal Emergency Management Agency to offset a portion of the costs the City has incurred as a result of repairing and reconstructing property and infrastructure damaged by the tornado and flooding. See also the section captioned **“TAX INFORMATION - Property Valuations - May 2019 Tornado Impact on Future Assessed Valuations”** in this *Appendix A*.

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## DEBT INFORMATION

### Financial Overview

The following table summarizes certain financial information concerning the City. This information should be reviewed in conjunction with the information contained in this Official Statement and the financial statements of the City in *Appendix B* hereto.

2019 Assessed Valuation <sup>(1)</sup> .....	\$910,339,512
2019 Estimated Actual Valuation <sup>(2)</sup> .....	\$3,638,020,264
Population (2018 Estimate).....	42,838
Outstanding General Obligation Bonds (“ <b>Direct Debt</b> ”) <sup>(3)</sup> .....	\$0
Special Obligation Bonds and Lease Obligations (“ <b>Other Obligations</b> ”) <sup>(4)</sup> .....	\$10,752,792
Total Direct Debt and Other Obligations <sup>(4)</sup> .....	\$10,752,792
Per Capita Direct Debt and Other Obligations.....	\$251.01
Ratio of Direct Debt and Other Obligations to Assessed Valuation.....	1.18%
Ratio of Direct Debt and Other Obligations to Estimated Actual Valuation.....	0.30%
Overlapping General Obligation Debt and Lease Obligations (“ <b>Indirect Debt</b> ”) <sup>(5)</sup> .....	\$108,800,532
Total Direct Debt, Other Obligations and Indirect Debt.....	\$119,553,324
Per Capita Direct Debt, Other Obligations and Indirect Debt.....	\$2,790.82
Ratio of Direct Debt, Other Obligations and Indirect Debt to Assessed Valuation.....	13.13%
Ratio of Direct Debt, Other Obligations and Indirect Debt to Estimated Valuation.....	3.29%

- 
- (1) Includes 2019 real and personal property assessment, after Board of Equalization adjustments, as certified by the Cole County Clerk and the Callaway County Clerk, but excludes assessed valuation in the amount of \$1,471,550 attributable to the incremental increase in assessed valuation over the established assessed valuation base within TIF Redevelopment Areas (defined herein) located within the City. For further details see the section captioned “**TAX INFORMATION – Property Valuations.**”
- (2) Estimated actual valuation is calculated by dividing different classes of property by the corresponding assessment ratio. For a detail of these different classes and ratios see the section captions “**TAX INFORMATION – Property Valuations**” herein.
- (3) The City does not currently have any outstanding general obligation indebtedness. See the section captioned “**Long-Term General Obligation Indebtedness**” below.
- (4) Includes \$7,305,000 aggregate principal amount of the Bonds and approximately \$3,447,792 outstanding principal portion of the City’s fire truck and equipment lease described under the section captioned “**Other Obligations of the City**” herein outstanding as of December 3, 2019, the date of issuance of the Bonds.
- (5) For further details see “**Overlapping General Obligation Indebtedness and Leases**” below.

### Long-Term General Obligation Indebtedness

The City does not have any outstanding general obligation indebtedness.

### 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 plants 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.

Based on the City’s assessed valuation for 2019, after Board of Equalization adjustments, in the amount of \$911,811,062 (which includes the assessed valuation in the amount of \$1,471,550 attributable to the incremental increase in assessed valuation over the established assessed valuation base within TIF Redevelopment Areas (defined herein) located within the City), prior to any Board of Equalization adjustments, the current legal debt limit of the City is \$182,362,212 (equal to 20% of the assessed valuation for 2019 of \$911,811,062) and the current legal debt margin is \$182,362,212 (the City’s current legal debt margin is equal to the City’s current legal debt limit because the City does not have any general obligation bonds outstanding).

**Long-Term Sewerage System Revenue Bond Obligations**

The following table sets forth as of November 1, 2019, all of the outstanding revenue obligations of the City, which are payable solely from the net revenues derived by the City from the operation of the City’s sewerage system:

Name of Bonds	Original Principal Amount	Outstanding Principal Amount
Sewerage System Improvement and Refunding Revenue Bonds (State Revolving Fund Program), Series 2001C	\$24,875,000	\$5,480,000
Sewerage System Revenue Bonds (State Revolving Fund Program), Series 2005A	\$4,600,000	\$1,845,000
Sewerage System Refunding and Improvement Revenue Bonds (State Revolving Fund Program), Series 2005C	\$10,105,000	\$4,590,000
Sewerage System Revenue Bonds (State Revolving Fund Program), Series 2008	\$3,900,000	\$2,500,000
Taxable Sewerage System Revenue Bonds, Series 2010B (Build America Bonds – Direct Payment)	\$6,445,000	\$6,015,000
Sewerage System Revenue Bonds (State Revolving Fund Program), Series 2012	\$15,000,000	\$11,423,000
Sewerage System Revenue Bonds, Series 2014	\$9,940,000	\$8,670,000
Sewerage System Revenue Bonds, Series 2016	\$9,380,000	\$9,380,000
<b>Total Revenue Bonds Outstanding</b>	<b>\$84,245,000</b>	<b>\$49,903,000</b>

**Overlapping General Obligation Indebtedness and Leases**

The following table sets forth the approximate overlapping general obligation and lease obligation indebtedness of political subdivisions with boundaries overlapping the City as of November 1, 2019, and the percent attributable (on the basis of assessed valuation for the 2018 calendar year) to the City, based on available information of the jurisdictions responsible for the general obligation debt or leases. The City has not independently verified the accuracy or completeness of such information. Furthermore, political subdivisions may have ongoing programs requiring the issuance of additional bonds or lease obligations, the amounts of which cannot be determined at this time.

<u>Jurisdiction</u>	<u>Outstanding General Obligation Debt</u>	<u>Approximate Outstanding Lease Obligations</u>	<u>Total Approximate Outstanding General Obligation Debt and Lease Obligations</u>	<u>Approximate Percentage Applicable to City</u>	<u>Total Approximate General Obligation Debt and Lease Obligations Applicable to City</u>
<b>School Districts:</b>					
Jefferson City School District	\$148,315,000	\$339,956	\$148,654,956	68.70%	\$102,125,955
<b>County:</b>					
Cole County	-- <sup>(1)</sup>	\$10,630,000	\$10,630,000	62.79%	<u>\$6,674,577</u>
<b>TOTAL</b>					<b><u>\$108,800,532</u></b>

*Source:* Missouri State Auditor, Bond Registration Reports; financial information and operating data from each jurisdiction that is available on the Municipal Securities Rulemaking Board’s EMMA website.

<sup>(1)</sup> The table does not include outstanding limited general obligation bonds for neighborhood improvement district projects (“NID Bonds”) that were issued by Cole County because such NID Bonds are payable from special assessments levied against the real property located within and benefitted by each respective neighborhood improvement district and, if not so paid, from current income and revenues of Cole County. Cole County is not authorized to impose any new or increased ad valorem property tax to pay debt service on the their outstanding NID Bonds without obtaining four-sevenths or two-thirds voter approval from the qualified voters within Cole County as required by the Constitution and laws of the State of Missouri for approval of general obligation bonds and Cole County has not obtained such voter approval.

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**Series 2019 Special Obligation Bonds**

The following schedule shows the annual principal and interest payments of the Bonds, that are payable by the City during each Fiscal Year, subject to annual appropriation by the City Council of the City:

<b>Fiscal Year Ended October 31</b>	<b>Principal Amount</b>	<b>Interest Amount</b>	<b>Total</b>
2020	\$325,000.00	\$144,360.81	\$469,360.81
2021	285,000.00	184,167.50	469,167.50
2022	295,000.00	175,617.50	470,617.50
2023	300,000.00	166,767.50	466,767.50
2024	310,000.00	157,767.50	467,767.50
2025	320,000.00	148,467.50	468,467.50
2026	330,000.00	138,867.50	468,867.50
2027	340,000.00	128,967.50	468,967.50
2028	350,000.00	118,767.50	468,767.50
2029	360,000.00	108,267.50	468,267.50
2030	370,000.00	101,067.50	471,067.50
2031	375,000.00	93,112.50	468,112.50
2032	385,000.00	84,675.00	469,675.00
2033	395,000.00	75,627.50	470,627.50
2034	400,000.00	66,147.50	466,147.50
2035	410,000.00	56,347.50	466,347.50
2036	420,000.00	46,097.50	466,097.50
2037	435,000.00	35,387.50	470,387.50
2038	445,000.00	24,077.50	469,077.50
2039	455,000.00	12,285.00	467,285.00
<b>TOTAL</b>	<b>\$7,305,000.00</b>	<b>\$2,066,843.31</b>	<b>\$9,371,843.31</b>

*[Remainder of this page intentionally left blank.]*

**Other Obligations of the City**

**2017 Fire Equipment Lease.** On May 19, 2014, the City entered into an annually-renewable equipment lease purchase agreement (the “**2017 Fire Equipment Lease**”) in the principal amount of \$5,037,541 for the purpose of financing the cost of acquiring various fire-fighting vehicles and related equipment. Rental payments scheduled to become due under the 2017 Fire Equipment Lease on April 1st of each year, consisting of a principal portion and an interest portion, are subject to annually appropriation by the City Council. The interest portion of such rental payments accrues at an interest rate of 2.485%, the final rental payment is due on April 1, 2028.

The remaining rental payments scheduled to become due under the 2017 Fire Equipment Lease, subject to annual appropriation by the City Council, are as follows:

<b>Fiscal Year Ended</b> <b><u>October 31</u></b>	<b><u>Principal</u></b> <b><u>Portion</u></b>	<b><u>Interest</u></b> <b><u>Portion</u></b>	<b><u>Total Rental</u></b> <b><u>Payments</u></b>
2020	\$314,326	\$85,674	\$400,000
2021	322,136	77,864	400,000
2022	330,141	69,859	400,000
2023	388,577	61,655	450,232
2024	398,233	51,999	450,232
2025	408,129	42,104	450,233
2026	418,270	31,962	450,232
2027	428,664	21,568	450,232
2028	<u>439,316</u>	<u>10,917</u>	<u>450,233</u>
<b>TOTAL</b>	<b><u>\$3,447,792</u></b>	<b><u>\$453,602</u></b>	<b><u>\$3,901,394</u></b>

**Tax Increment and Special District Revenue Bonds (Capital Mall Project), Series 2019.** On August 30, 2019, the Industrial Development Authority of the City of Jefferson, Missouri (the “**Authority**”), issued Tax Increment and Special District Revenue Bonds (Capital Mall Project), Series 2019 (the “**Series 2019 TIF Bonds**”), in the original principal amount of \$9,550,000, in order to refinance certain costs related to the renovation of a retail development known as the Capital Mall (the “**Capital Mall**”) undertaken by Capital Mall JC, LLC, a Missouri limited liability company (the “**Developer**”) in accordance with the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865, RSMo (the “**TIF Act**”). Principal of and interest on the Bonds is payable solely from the Net Revenues (defined below) and other moneys pledged by the Authority to UMB Bank, N.A., as trustee (the “**Trustee**”), as provided in a Trust Indenture dated as of August 1, 2019, between the Trustee and the Authority (the “**Indenture**”). Interest on the Series 2019 TIF Bonds is payable semiannually on each May 1 and November 1, beginning May 1, 2020, and the Series 2019 TIF Bonds are scheduled to mature in the principal amounts and accrue interest at the rates specified below, subject to special mandatory redemption in accordance with the Indenture:

<b><u>Maturity</u></b> <b><u>(May 1)</u></b>	<b><u>Principal</u></b> <b><u>Amount</u></b>	<b><u>Interest Rate</u></b>
2040	\$4,250,000	3.625%
2049	5,300,000	4.000%

In accordance with the TIF Act, the City designated a redevelopment area within the City on January 21, 2014, consisting of approximately 78 acres, including the Capital Mall (the “**Redevelopment Area**”). In connection with the issuance of the Series 2019 TIF Bonds, the City, the Authority and the Capital Mall Community Improvement District (the “**District**”), entered into a Financing Agreement dated as of August 1, 2019 (the “**Financing Agreement**”). Under the Financing Agreement, the City agreed to transfer payments in lieu of taxes (the “**PILOTS**”) and economic activity tax revenues (the “**Economic Activity Tax Revenues**”) to the payment of debt service on the Series 2019 TIF Bonds, and the District agreed to transfer certain revenues

generated from a 1.00% District sales tax imposed within the Redevelopment Area to the payment of debt service on the Serie 2019 TIF Bonds (collectively, the “**Net Revenues**”).

The PILOTS consist of payments in lieu of taxes, as defined in the TIF Act, attributable to the increase in the equalized assessed valuation of all taxable real property within the Redevelopment Area over and above the initial assessed valuation of such real property at the time the Redevelopment Area was formed. The Economic Activity Tax Revenues consist of 50% of the total additional revenues from sales taxes imposed by the City generated by economic activities within the Redevelopment Area, which is subject to annual appropriation by the City Council. The City’s agreement to transfer PILOTS and, subject to annual appropriation by the City Council, Economic Activity Tax Revenues to the payment of the Series 2019 TIF Bonds expires on July 6, 2037, in accordance with the TIF Act. The Series 2019 TIF Bonds do not constitute general obligations or indebtedness of the City within the meaning of any constitutional or statutory limitation or provision, and the City has not pledged its full faith and credit and is not obligated to levy taxes or resort to any other moneys or property of the City to pay the principal of and interest on the Series 2019 TIF Bonds.

### **Future Borrowing Plans of the City**

Currently, other than the issuance of the Bonds, the City does not anticipate issuing any other significant special obligation bonds, capital lease obligations or general obligations within the next three to five Fiscal Years.

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## FINANCIAL INFORMATION

### Accounting, Budgeting and Auditing Procedures

The City produces government-wide financial statements in accordance with the accrual basis of accounting and produces governmental fund financial statements in accordance with the modified accrual basis of accounting, which are both accounting principal generally accepted in the United States, as more fully described in the notes to the City's audited financial statements for Fiscal Year ended October 31, 2018, contained in the Comprehensive Annual Financial Report attached as *Appendix B* to this Official Statement (the "2018 CAFR").

The City, like other Missouri state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: Governmental Funds, Proprietary Funds, and Fiduciary/Agency Funds, as further described below:

- **Governmental Funds.** Governmental Funds are used to account for government activities focusing on near-term inflows and outflows of spendable resources as well as balances of spendable resources available at the end of the City's Fiscal Year. The City maintains nine individual governmental funds. The City's major governmental funds include the following:
  - *General Fund:* acts as the primary operating fund of the City and accounts for all financial resources of the general government, except those required to be accounted for in another fund.
  - *Parks Fund (special revenue fund):* accounts for revenue sources from the operations of Parks and Recreation and 0.50% Local Parks Sales Tax (defined herein) that are legally restricted to expenditures for specific parks related purposes including major capital projects.
  - *Capital Improvement Tax Fund:* accounts for revenue from the City's 0.50% capital improvement sales tax, the acquisition of capital assets or construction of major capital projects not being financed by other funds.

The non-major governmental funds include Police Training, Lodging Tax, JC Veterans Plaza Trust, City Hall Art Trust, USS Jefferson City Submarine Trust and Woodland Cemetery Trust, which each account for specific revenues that are legally restricted to expenditures for particular purposes. For further details, see *Note 1* to the City's audited financial statements included in the City's 2018 CAFR attached as *Appendix B* to this Official Statement.

- **Proprietary Funds.** Proprietary Funds are used to account for business-like activities of the City. The City maintains two types of Proprietary Funds: Enterprise Funds and Internal Service Funds. The Enterprise Funds account for the operations of the City's business-type activities, such as the City's wastewater, airport, parking and transit operations. The City's major Enterprise Funds include:
  - *Wastewater Fund:* accounts for operations of the City's sewerage system.
  - *Transit Fund:* accounts for operations of bus fixed route and handicap public transit.

The non-major Enterprise Funds include the Airport Fund and the Parking Division Fund. The Internal Service Funds account for the operations that provide self-insurance workers compensation/risk managements services and self-funded health insurance, both of which are considered non-major funds. For further details, see *Note 1* to the City’s audited financial statements included in the City’s 2018 CAFR attached as **Appendix B** to this Official Statement.

- **Fiduciary/Agency Funds.** Fiduciary/Agency Funds are used to account for resources held for the benefit of parties outside of the City’s governmental operations. The City’s Tax Increment Financing Fund is the only Fiduciary/Agency fund currently maintained by the City and is considered a non-major custodial fund. For further details, see *Note 1* to the City’s audited financial statements included in the City’s 2018 CAFR attached as **Appendix B** to this Official Statement.

The City is required by law to prepare an annual budget of estimated receipts and disbursements for the coming Fiscal Year under the direction of the City Administrator and Director of Finance after consultation with each department. The annual budget is then presented to the Mayor and proposed by the Mayor to the City Council prior to October 31 each year for approval after a public hearing. The City’s Fiscal Year is November 1 through October 31. The City’s annual budget lists estimated receipts by fund and sources and estimated disbursements by fund and purpose.

The financial records of the City are audited annually by a firm of independent certified public accountants. In recent years, the annual audit has been performed by Evers & Company, CPA’s, LLC, Jefferson City, Missouri, independent certified public accountants. Copies of the audited financial statements for the Fiscal Years ended October 31, 2014 through 2018, of the City are on file with the City and are available for review (*the audited financial statements for Fiscal Year ended October 31, 2019, was not available as of the date of this Official Statement*).

### Sources of Revenue

The City finances its operations through a local property tax levy, sales taxes, franchise taxes, charges for services, fines and forfeitures and miscellaneous sources. The City’s major governmental funds, which account for City’s governmental activities, include the General Fund, the Parks Fund (which is a special revenue fund) and the Capital Improvement Tax Fund. The City’s budgeted sources of revenue for its general operations, which are accounted for in the City’s General Fund, for the City’s Fiscal Year ended October 31, 2019, were as follows:

<u>Source</u>	<u>Amount of Projected General Fund Revenues</u>	<u>Percent of General Fund Revenues</u>
Sales and other use taxes	\$11,751,260	35.82%
Property Tax	5,432,399	16.56
Utility and Franchise Taxes	7,435,000	22.66
Licenses, permits and fees	879,410	2.68
Intergovernmental	3,061,882	9.33
Charges for services	2,761,364	8.42
Fines and forfeitures	834,900	2.54
Miscellaneous	651,175	1.98
Total	\$32,807,390	100.00%

Source: City’s adopted budget for Fiscal Year ended October 31, 2019.

The City's projected budgeted sources of revenue for its general operations, which are accounted for in the City's General Fund, for the City's current Fiscal Year ending October 31, 2020, are as follows:

<u>Source</u>	<u>Amount of Projected General Fund Revenues</u>	<u>Percent of General Fund Revenues</u>
Sales and other use taxes	\$11,980,085	36.38%
Property Tax	5,466,399	16.60
Utility and Franchise Taxes	7,205,000	21.88
Licenses, permits and fees	902,520	2.74
Intergovernmental	3,052,150	9.27
Charges for services	2,875,130	8.73
Fines and forfeitures	766,600	2.33
Miscellaneous	682,596	2.07
<b>Total</b>	<b>\$32,930,480</b>	<b>100.00%</b>

*Source:* City's adopted budget for Fiscal Year ending October 31, 2020.

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## Summary of Revenues, Expenditures and Changes in Governmental Fund Balances

**All Governmental Funds.** The following table sets forth the City's total revenues, expenditures and fund balances for all of the City's governmental funds, which includes the City's major governmental funds (i.e., the General Fund, the Parks Fund and the Capital Improvement Tax Fund) and the City's other non-major governmental funds, for the Fiscal Years ended October 31, 2014 through 2018, which are the Fiscal Years for which audited financial statements were available:

	<b>Fiscal Years Ended October 31</b>				
	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>
<b>REVENUES</b>					
Sales and other Taxes	\$21,125,412	\$22,628,475	\$23,015,744	\$23,656,655	\$23,891,622
Property Taxes	5,190,969	5,261,508	5,267,657	5,419,824	5,484,475
Utility/Franchise Taxes	7,670,316	7,295,904	7,258,960	7,060,237	7,687,404
Licenses, permits and fees	828,254	760,615	818,420	897,213	911,495
Intergovernmental	5,642,708	4,608,038	4,423,255	5,261,966	3,562,158
Charges for services	4,000,927	4,432,834	4,741,235	5,006,456	5,241,920
Fines and forfeitures	1,008,406	1,023,787	951,585	821,174	792,331
Investment earnings	352,551	361,156	406,004	417,668	384,174
Contributions	209,725	176,879	317,104	334,912	335,096
Miscellaneous	297,817	389,478	672,367	367,014	244,424
<b>Total Revenues</b>	<b><u>\$46,327,085</u></b>	<b><u>\$46,938,674</u></b>	<b><u>\$47,872,331</u></b>	<b><u>\$49,243,119</u></b>	<b><u>\$48,535,099</u></b>
<b>EXPENDITURES</b>					
Current:					
General government	\$5,940,300	\$5,725,817	\$5,473,387	\$5,667,308	\$5,923,438
Public safety	15,871,211	16,026,365	16,510,754	17,230,032	17,920,197
Community development	8,537,749	6,969,904	7,373,632	7,654,282	7,969,032
Cultural and recreation	5,400,290	5,572,731	6,037,672	6,459,097	6,556,633
Capital outlay	8,902,901	7,025,382	12,479,889	16,906,542	6,619,392
Debt Service					
Principal	370,524	-	-	154,101	1,082,867
Interest	21,277	-	-	45,899	117,133
<b>Total Expenditures</b>	<b><u>\$45,044,252</u></b>	<b><u>\$41,320,199</u></b>	<b><u>\$47,875,334</u></b>	<b><u>\$54,117,261</u></b>	<b><u>\$46,188,692</u></b>
<b>EXCESS (DEFICIENCY)</b>					
<b>REVENUES OVER EXPENSES</b>	<b><u>\$1,282,833</u></b>	<b><u>\$5,618,475</u></b>	<b><u>\$(3,003)</u></b>	<b><u>\$(4,874,142)</u></b>	<b><u>\$2,346,407</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of assets	\$48,010	\$77,729	\$377,208	\$139,070	\$205,543
Lease proceeds	-	-	-	5,037,541	-
Transfers In	23,122	32,944	202,647	24,871	24,102
Transfers (Out)	(855,212)	(1,548,218)	(1,688,481)	(1,391,734)	(1,528,062)
<b>Total Other Financing Sources (Uses)</b>	<b><u>\$(784,080)</u></b>	<b><u>\$(1,437,545)</u></b>	<b><u>\$(1,108,626)</u></b>	<b><u>\$3,809,748</u></b>	<b><u>\$(1,298,417)</u></b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$498,753</b>	<b>\$4,180,930</b>	<b>\$(1,111,629)</b>	<b>\$(1,064,394)</b>	<b>\$1,047,990</b>
<b>FUND BALANCE - BEGINNING</b>	<b><u>\$20,056,026</u></b>	<b><u>\$20,554,779</u></b>	<b><u>\$24,735,709</u></b>	<b><u>\$23,624,080</u></b>	<b><u>\$22,559,686</u></b>
<b>FUND BALANCE - ENDING</b>	<b><u>\$20,554,779</u></b>	<b><u>\$24,735,709</u></b>	<b><u>\$23,624,080</u></b>	<b><u>\$22,559,686</u></b>	<b><u>\$23,607,676</u></b>

Source: City's Comprehensive Financial Reports for Fiscal Years ended October 31, 2014 through 2018.

Below are tables reflecting the City's total revenues, expenditures and fund balances for each of the City's major governmental funds: the General Fund, the Parks Fund and the Capital Improvement Tax Fund.

**General Fund.** The following table sets forth the City's total revenues, expenditures and ending balances in the General Fund for the Fiscal Years ended October 31, 2014 through 2018:

	<b>Fiscal Years Ended October 31</b>				
	<u><b>2014</b></u>	<u><b>2015</b></u>	<u><b>2016</b></u>	<u><b>2017</b></u>	<u><b>2018</b></u>
<b>REVENUES</b>					
Sales and other Taxes	\$10,223,956	\$10,976,960	\$11,121,425	\$11,418,901	\$11,577,513
Property Taxes	5,190,956	5,261,508	5,267,657	5,419,824	5,484,475
Utility/Franchise Taxes	7,670,316	7,295,904	7,258,960	7,060,237	7,687,404
Licenses, permits and fees	828,254	760,615	818,420	897,213	911,495
Intergovernmental	5,104,820	3,511,255	3,431,795	3,863,010	3,475,862
Charges for services	2,188,673	2,579,221	2,727,266	2,767,263	2,850,120
Fines and forfeitures	996,134	1,011,319	939,843	808,999	780,531
Investment earnings	109,020	127,986	161,298	188,029	166,740
Contributions	205,229	175,644	315,831	333,634	333,487
Miscellaneous	209,921	255,988	226,094	194,656	110,995
<b>Total Revenues</b>	<u><b>\$32,727,279</b></u>	<u><b>\$31,956,400</b></u>	<u><b>\$32,268,589</b></u>	<u><b>\$32,951,766</b></u>	<u><b>\$33,378,622</b></u>
<b>EXPENDITURES</b>					
Current:					
General government	\$4,804,883	\$4,589,160	\$4,279,248	\$4,444,682	\$4,710,495
Public safety	15,816,515	15,967,649	16,498,785	17,216,234	17,919,756
Community development	8,537,749	6,969,904	7,373,632	7,654,282	7,969,032
Cultural and recreation	-	-	-	-	-
Capital outlay	998,154	955,631	1,377,911	3,270,187	2,010,836
Debt Service:					
Principal	370,524	-	-	-	-
Interest	21,277	-	-	-	-
<b>Total Expenditures</b>	<u><b>\$30,549,102</b></u>	<u><b>\$28,482,344</b></u>	<u><b>\$29,529,576</b></u>	<u><b>\$32,585,385</b></u>	<u><b>\$32,610,119</b></u>
<b>EXCESS (DEFICIENCY) REVENUES OVER EXPENSES</b>	<u><b>\$4,804,883</b></u>	<u><b>\$4,589,160</b></u>	<u><b>\$4,279,248</b></u>	<u><b>\$4,444,682</b></u>	<u><b>\$4,710,495</b></u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of assets	\$27,384	\$47,725	\$310,059	\$123,215	\$102,088
Transfers In	23,122	32,944	71,796	24,871	24,102
Transfers (Out)	<u>(670,918)</u>	<u>(1,251,259)</u>	<u>(1,454,930)</u>	<u>(1,265,725)</u>	<u>(1,248,989)</u>
<b>Total Other Financing Sources (Uses)</b>	<u><b>\$(620,412)</b></u>	<u><b>\$(1,170,590)</b></u>	<u><b>\$(1,073,075)</b></u>	<u><b>\$(1,117,639)</b></u>	<u><b>\$(1,122,799)</b></u>
<b>NET CHANGE IN FUND BALANCE</b>	\$1,557,765	\$2,303,466	\$1,665,938	\$(751,258)	\$(354,296)
<b>FUND BALANCE - BEGINNING</b>	<u><b>\$5,534,523</b></u>	<u><b>\$7,092,288</b></u>	<u><b>\$9,395,754</b></u>	<u><b>\$11,061,692</b></u>	<u><b>\$10,310,434</b></u>
<b>FUND BALANCE - ENDING</b>	<u><b>\$7,092,288</b></u>	<u><b>\$9,395,754</b></u>	<u><b>\$11,061,692</b></u>	<u><b>\$10,310,434</b></u>	<u><b>\$9,956,138</b></u>

Source: City's Comprehensive Financial Reports for Fiscal Years ended October 31, 2014 through 2018.



**Parks Fund.** The following table sets forth the City’s total revenues, expenditures and ending balances in the Parks Fund for the Fiscal Years ended October 31, 2014 through 2018:

	<b>Fiscal Years Ended October 31</b>				
	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>
<b>REVENUES</b>					
Sales and other Taxes	\$4,874,018	\$5,259,477	\$5,358,988	\$5,492,397	\$5,554,002
Property Taxes	13	-	-	-	-
Utility/Franchise Taxes	-	-	-	-	-
Licenses, permits and fees	-	-	-	-	-
Intergovernmental	105,895	1,380	105,363	22,511	75,681
Charges for services	1,812,254	1,853,613	2,013,969	2,239,193	2,391,800
Fines and forfeitures	-	-	-	-	-
Investment earnings	129,406	136,016	149,719	104,545	84,362
Contributions	1,400	-	41	25	-
Miscellaneous	<u>87,896</u>	<u>133,490</u>	<u>446,273</u>	<u>172,358</u>	<u>133,429</u>
<b>Total Revenues</b>	<b><u>\$7,010,882</u></b>	<b><u>\$7,383,976</u></b>	<b><u>\$8,074,353</u></b>	<b><u>\$8,031,029</u></b>	<b><u>\$8,239,274</u></b>
<b>EXPENDITURES</b>					
Current:					
General government	\$1,242	\$12,216	\$10,703	\$5,290	\$3,185
Public safety	-	-	-	-	-
Community development	-	-	-	-	-
Cultural and recreation	5,400,290	5,572,731	6,037,672	6,459,097	6,556,633
Capital outlay	<u>628,432</u>	<u>488,731</u>	<u>4,873,248</u>	<u>3,682,559</u>	<u>716,825</u>
<b>Total Expenditures</b>	<b><u>\$6,029,964</u></b>	<b><u>\$6,073,678</u></b>	<b><u>\$10,921,623</u></b>	<b><u>\$10,146,946</u></b>	<b><u>\$7,276,643</u></b>
<b>EXCESS (DEFICIENCY) REVENUES OVER EXPENSES</b>	<b><u>\$980,918</u></b>	<b><u>\$1,310,298</u></b>	<b><u>\$(2,847,270)</u></b>	<b><u>\$(2,115,917)</u></b>	<b><u>\$962,631</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of assets	\$20,626	\$30,004	\$67,149	\$15,855	\$103,455
Transfers In	-	-	-	-	-
Transfers (Out)	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b><u>\$20,626</u></b>	<b><u>\$30,004</u></b>	<b><u>\$67,149</u></b>	<b><u>\$15,855</u></b>	<b><u>\$103,455</u></b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$1,001,544</b>	<b>\$1,340,302</b>	<b>\$(2,780,121)</b>	<b>\$(2,100,062)</b>	<b>\$1,066,086</b>
<b>FUND BALANCE - BEGINNING</b>	<b><u>\$7,191,904</u></b>	<b><u>\$8,193,448</u></b>	<b><u>\$9,533,750</u></b>	<b><u>\$6,753,629</u></b>	<b><u>\$4,653,567</u></b>
<b>FUND BALANCE - ENDING</b>	<b><u>\$8,193,448</u></b>	<b><u>\$9,533,750</u></b>	<b><u>\$6,753,629</u></b>	<b><u>\$4,653,567</u></b>	<b><u>\$5,719,653</u></b>

Source: City’s Comprehensive Financial Reports for Fiscal Years ended October 31, 2014 through 2018.

It is the current intention of the City to satisfy its obligation to make debt service payments on the Bonds, subject to annual appropriation by the City Council, from revenues generated by the City’s 0.50% local parks sales tax that is accounted for and deposited into the City’s Parks Fund detailed in the table above. However, the City’s obligation to make such debt service payments is not limited to the revenues generated from the 0.50% local parks sales tax, and such 0.50% local parks sales tax revenues are not and cannot be pledged to the payment of the Bonds. See also the section captioned “**TAX INFORMATION - Sales Tax Collections**” herein.

**Capital Improvement Tax Fund.** The following table sets forth the City's total revenues, expenditures and ending balances in the Capital Improvement Tax Fund for the Fiscal Years ended October 31, 2014 through 2018:

	<b>Fiscal Years Ended October 31</b>				
	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>
<b>REVENUES</b>					
Sales and other Taxes	\$4,877,931	\$5,260,753	\$5,356,330	\$5,500,311	\$5,545,522
Property Taxes	-	-	-	-	-
Utility/Franchise Taxes	-	-	-	-	-
Licenses, permits and fees	-	-	-	-	-
Intergovernmental	426,069	1,089,692	880,378	1,371,225	5,400
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment earnings	106,903	91,025	88,669	117,842	126,373
Contributions	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<b>Total Revenues</b>	<b><u>\$5,410,903</u></b>	<b><u>\$6,441,470</u></b>	<b><u>\$6,325,377</u></b>	<b><u>\$6,989,378</u></b>	<b><u>\$5,677,295</u></b>
<b>EXPENDITURES</b>					
Current:					
General government	\$758	\$412,216	\$10,703	\$5,289	\$3,185
Public safety	-	-	-	-	-
Community development	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Capital outlay	\$7,276,215	\$5,580,940	\$6,219,890	\$9,952,976	\$3,891,731
Debt Service:					
Principal	-	-	-	154,101	1,082,867
Interest	-	-	-	45,899	117,133
<b>Total Expenditures</b>	<b><u>\$7,276,973</u></b>	<b><u>\$5,593,156</u></b>	<b><u>\$6,230,593</u></b>	<b><u>\$10,158,265</u></b>	<b><u>\$5,094,916</u></b>
<b>EXCESS (DEFICIENCY) REVENUES OVER EXPENSES</b>	<b><u>\$(1,866,070)</u></b>	<b><u>\$848,314</u></b>	<b><u>\$94,784</u></b>	<b><u>\$(3,168,887)</u></b>	<b><u>\$582,379</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of assets	-	-	-	-	-
Lease proceeds	-	-	-	\$ 5,037,541	-
Transfers In	-	-	\$130,851	-	-
Transfers (Out)	<u>\$(161,172)</u>	<u>(274,015)</u>	<u>(210,155)</u>	<u>(101,138)</u>	<u>\$(254,971)</u>
<b>Total Other Financing Sources (Uses)</b>	<b><u>\$(161,172)</u></b>	<b><u>\$(274,015)</u></b>	<b><u>\$(79,304)</u></b>	<b><u>\$4,936,403</u></b>	<b><u>\$(254,971)</u></b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$(2,027,242)</b>	<b>\$574,299</b>	<b>\$15,480</b>	<b>\$1,767,516</b>	<b>\$327,408</b>
<b>FUND BALANCE - BEGINNING</b>	<b><u>\$6,968,580</u></b>	<b><u>\$4,941,338</u></b>	<b><u>\$5,515,637</u></b>	<b><u>\$5,531,117</u></b>	<b><u>\$7,298,633</u></b>
<b>FUND BALANCE - ENDING</b>	<b><u>\$4,941,338</u></b>	<b><u>\$5,515,637</u></b>	<b><u>\$5,531,117</u></b>	<b><u>\$7,298,633</u></b>	<b><u>\$7,626,041</u></b>

Source: City's Comprehensive Financial Reports for Fiscal Years ended October 31, 2014 through 2018.

## Risk Management

**Property and Casualty Insurance.** The City is exposed to risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. As of October 31, 2018, the City had purchased insurance up to \$3.6 million for these risks from the Midwest Public Risk Fund, except for Worker's Compensation Risk Management as further described below. There have been no settlements in excess of insured coverage during the past five years.

The Midwest Public Risk Fund (“MPRF”) is structured such that member premiums are based on an actuarial review that will provide adequate reserves to allow the MPRF to meet its expected financial obligations. The MPRF has the authority to assess its members additional premiums should reserves and annual premiums be insufficient to meet MPRF’s obligations. The City purchases other commercial policies from various vendors for property and equipment, excess property, boiler and machinery, commercial crime, excess workers compensation, and airport owners and operator’s liability. In the area of loss prevention and control, the City has contracted for services through a commercial insurance company and a professional broker. The City has also instituted internal safety and supervisory training programs designed to minimize risk exposure and claims. For further details about the City’s risk management policies and initiatives, see *Note 8.A.* to the City’s audited financial statements in the City’s 2018 CAFR included as *Appendix B* to this Official Statement.

***Worker’s Compensation.*** On July 1, 1991, the City established a Worker’s Compensation Risk Management Fund (an internal service fund) to account for and finance its uninsured risks of this loss. Under this program, the Worker’s Compensation Risk Management Fund provides coverage for up to a maximum of \$350,000 for each worker’s compensation claim, with the exception that claims for public safety (fire/police) provide maximum coverage of \$450,000 per claim. The City purchases commercial reinsurance for claims in excess of individual coverage provided by the Worker’s Compensation Fund (stop loss of \$350,000 individual with a policy maximum of \$1 million).

Payments are made to the Worker’s Compensation Risk Management Fund based on payroll at State of Missouri Worker’s Compensation rates which are estimates of the amounts needed to pay prior and current-year claims and to build an unreserved fund balance. For further details about the City’s worker’s compensation risk management initiatives, see *Note 8.B.* to the City’s audited financial statements in the City’s 2018 CAFR included as *Appendix B* to this Official Statement.

### **Self-Funded Health Insurance**

On January 1, 2016, the City established a Self-Funded Health Insurance Fund (an internal service fund) to account for the transactions and reserves associated with the City’s medical and prescription drug programs for City employees. Coverage for health and prescription drug plans are self-insured. As of October 31, 2018, the City had a stop-loss attachment point of \$100,000 per individual with a policy maximum of \$3,988,924. Payments are made to the Self-Funded Health Insurance Fund based on estimates of the amounts needed to pay prior and current-year claims and to establish net position sufficient for catastrophic losses. For further details about the City’s Self-Funded Health Insurance Fund, see *Note 8.C.* to the City’s 2018 CAFR included as *Appendix B* to this Official Statement.

### **Employee Retirement and Pension 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, 2018 (the “**2018 LAGERS CAFR**”) is available at <http://www.molagers.org/financial.html>. The link to the 2018 LAGERS CAFR is provided for general background information only, and the information in the 2018 LAGERS CAFR is not incorporated by reference into this Official Statement. The 2018 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.

All full-time general, police and fire employees of the City are eligible to participate in LAGERS. As permitted by LAGERS, the City has elected the non-contributory plan, meaning its participating employees do not contribute to the pension plan. The City is required by statute to contribute at an actuarially determined rate for each category of participating employees, subject to certain limitations. An employer that participates in LAGERS has its actuarially determined contribution rate calculated as follows: using the financial assumptions adopted by the LAGERS’ Board, an actuary computes the contribution rate that, if paid annually by each employer during the total service of its participating employees, will be sufficient to provide the pension reserves required at the time of said employees’ retirements to cover the pensions that such employees may be entitled to receive. However, this actuarially-determined contribution rate cannot result in an employer contributing an amount in any fiscal year equal to more than 101% of its total contributions for the immediately preceding fiscal year.

For information specific to the City’s participation in LAGERS, including the City’s past contributions, net pension liability and related sensitivities, and pension expense, see *Note 10* and the “**Schedule of Changes in Net Pension Liability and Related Ratios**” and “**Schedule of Contributions**” tables on pages 80 and 81, respectively, of the City’s 2018 CAFR included in *Appendix B* to this Official Statement. For additional information regarding LAGERS, see the 2018 LAGERS CAFR.

### **Other Post-Employment Benefits**

In addition to pensions, many state and local governments, including the City, provide other postemployment benefits as part of the total compensation offered to attract and retain the services of qualified employees. The City sponsors a single-employer, defined benefit healthcare plan that provides healthcare benefits to retirees and their dependents. The City requires retirees to pay the same medical premium charged for active employees. For further details relating to the City’s other postemployment benefits, see *Note 7.E*. and the table “**Schedule of Changes in Total OPEB Liability and Related Ratios**” in the Required Supplementary Information section in the City’s 2018 CAFR included in *Appendix B* to this Official Statement.

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## TAX INFORMATION

### Property Valuations

**Assessment Procedure.** All taxable real and personal property within the City is assessed annually by the county assessors of Cole County (for the portion of the City located in Cole County) and Callaway County (for the portion of the City located in Callaway County) (the “**County Assessor**”). Missouri law requires that, except as noted below, personal property be assessed at 33-1/3% of true value and 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%

Although the assessment ratio for personal property is generally 33-1/3% of true value, subclasses of tangible personal property are assessed at the following assessment percentages: grain and other agricultural crops in an unmanufactured condition, 0.5%, livestock, 12%; farm machinery, 12%; historic motor vehicles, 5%; and poultry, 12%.

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

Each respective County Assessor is responsible for preparing the tax roll each year and for submitting the tax roll to their Board of Equalization. Each 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 and the estimated actual valuation, by category, of all taxable tangible property situated in the City (excluding \$1,471,550 attributable to the incremental increase in assessed valuation over the established assessed valuation base within TIF Redevelopment Areas (defined herein) located within the City), according to the assessment of January 1, 2019, after Board of Equalization adjustments:

	<u>Assessed Valuation</u>	<u>Assessment Rate</u>	<u>Estimated Total Valuation</u>	<u>% of Actual Valuation</u>
Real Estate:				
Residential	\$379,794,997	19.00%	\$1,998,921,037	54.95%
Commercial <sup>(1)</sup>	745,717	12.00%	6,214,308	0.17%
Agricultural	<u>347,470,570</u>	32.00%	<u>1,085,845,531</u>	<u>29.85%</u>
Sub-Total	\$728,011,284		\$3,090,980,876	84.96%
Personal Property <sup>(1)</sup>	<u>182,3278,228</u>	33.33% <sup>(2)</sup>	<u>547,039,388</u>	<u>15.04%</u>
<b>TOTAL</b>	<b>\$910,339,512</b>		<b>\$3,638,020,264</b>	<b>100.00%</b>

*Source:* County Clerks of Cole County and Callaway County.

<sup>(1)</sup> Includes State assessed and local utilities.

<sup>(2)</sup> 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 Valuations.** The total assessed valuation of all taxable tangible property situated in the City (excluding incremental increase in assessed valuation over the established assessed valuation base within TIF Redevelopment Areas (defined herein) located within the City) according to the assessments of January 1 in each of the following years, as adjusted through December 31 (except for calendar year 2019, which reflects the assessed valuation after Board of Equalization adjustments) has been as follows:

<u>Calendar Year</u>	<u>Assessed Valuation</u>	<u>Percent Change</u>
2019	\$910,339,512	1.72%
2018	894,954,520	0.20%
2017	893,179,890	1.22%
2016	882,456,576	2.25%
2015	863,071,468	0.73%

*Source:* For calendar years 2015 through 2018, Missouri State Auditor Property Tax Rate Reports. For calendar year 2019, County Clerks of Cole County and Callaway County.

**May 2019 Tornado Impact on Future Assessed Valuations.** According to a report released jointly by the City and Cole County, Missouri, in July 2019, the tornado that struck a portion of the City on May 22, 2019, caused damage to approximately 66 commercial properties and 382 residential structures located within the City limits. The damage these properties sustained may cause the assessed valuation of these properties to decrease in future years, especially if these properties are not repaired or reconstructed, which may result in lower property tax collections for the City. However, the City cannot predict the amount of the decrease in assessed valuation that may result due to the residential and commercial property damage caused by the tornado.

### **Property Tax Collection Procedure**

**Generally** Property taxes are levied and collected for the City by Cole County and Callaway County, for which each County receives a collection fee of approximately 1% of the gross tax collections made by each County.

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 respective County Clerks. As required under SB 711 (discussed below), the City must informally project nonbinding tax levies for the year and return such projected tax levies to the County Clerk in April. The City must fix its ad valorem property tax rates and certify them to each County Clerk no later than September 1st for entry in the tax books. Taxes are levied at the City’s tax rate per \$100 of assessed valuation. The Missouri State Auditor is responsible for reviewing the rate of tax to ensure that it does not exceed constitutional rate limits.

Real property within the City is assessed by the County Assessor of Cole County (for the portion of the City located in Cole County) and the County Assessor of Callaway County (for the portion of the City located in Callaway County). Each County Assessor is responsible for preparing the tax rolls each year and for submitting tax rolls to the Board of Equalization of their respective County. The Board of Equalization of each County has the authority to question and determine the proper value of property and then adjust and equalize individual properties appearing on the tax rolls. After local appeal procedures have been completed, the books are finalized and sent to the respective County collectors (the “**County Collector**”). Each County Collector extends the taxes on the tax rolls and issues the tax statements in early December.

***City's Rights in Event of Tax Delinquency.*** Taxes are due by December 31<sup>st</sup> and become delinquent if not paid to the respective County Collector by that time. All tracts of land and city lots on which delinquent taxes are due are charged with a penalty of 18% of each year's delinquency. Taxes on real estate become delinquent on January 1<sup>st</sup> and each respective County Collector is required to enforce the State of Missouri's lien by offering the property for sale in August of that year. If the offering does not produce a bid equal to the delinquent taxes plus interest, penalty, and costs, the property is offered for sale again the following year. If the second offering also does not produce a bid adequate to cover the amount due, the property is sold the following year to the highest bidder. Tax sales at the first or second offerings are subject to the owner's redemption rights. Delinquent personal property taxes constitute a debt of the person assessed with the taxes, and a personal judgment can be rendered for such taxes against the debtor. Personal property taxes also become delinquent on January 1<sup>st</sup>. Collection suits may be commenced on or after February 1<sup>st</sup> and must be commenced within three years

Each 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 Abatement and Tax Increment Financing**

Under Missouri law, tax abatement is available for redevelopers of areas determined by the governing body of a city to be "blighted." The Land Clearance for Redevelopment Authority Law authorizes ten-year tax abatement pursuant to Sections 99.700 to 99.715, RSMo. In lieu of ten-year tax abatement, a redeveloper that is an urban redevelopment corporation formed pursuant to Chapter 353, RSMo, may seek real property tax abatement for a total period of 25 years. In addition, the Industrial Development Law, Chapter 100, RSMo, authorizes real and personal property tax abatement for corporations for projects for industrial development. Currently, there are tax abatement projects located within the City resulting in real and personal property tax abatement. See also *Note 12* to the City's audited financial statements included in the City's 2018 CAFR attached as **Appendix B** to this Official Statement.

In addition, the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865, RSMo, makes available tax increment financing for redevelopment projects in certain areas determined by the governing body of a city or county to be a "blighted area," "conservation area," or "economic development area," each as defined in such statute.

Currently, certain portions of the City are located in tax increment financing districts ("**TIF Redevelopment Areas**"). Tax increment financing does not diminish the amount of property tax revenues collected by the City in a TIF Redevelopment Area compared to the property tax revenues collected prior to the establishment of the TIF Redevelopment Area, but instead acts to freeze such revenues at current levels and deprives the City and other taxing jurisdictions of all or part of future increases in ad valorem real property tax revenues that otherwise would have resulted from increases in assessed valuation in such TIF Redevelopment Areas (the "**TIF Increment**"). The TIF Increment is captured by the TIF Redevelopment Areas until the tax increment financing obligations issued are repaid or the tax increment financing period terminates.

According to the Cole County Assessor's office, the assessed valuation of property located within TIF Redevelopment Areas in the City that is attributable to the incremental increase in assessed valuation of such property over the established assessed valuation base of such property (i.e., attributable to the TIF Increment) was approximately \$1,471,550 for the 2019 tax year. See also "**TAX INFORMATION – Property Valuations – Current Assessed Valuation**" and "**– History of Property Valuations**" herein and *Note 12* to the City's audited financial statements included in the City's 2018 CAFR attached as **Appendix B** to this Official Statement.

## Property Tax Levies

**No Debt Service Tax Levy.** The City does not currently have any outstanding general obligation bond debt; therefore, the City does not impose any debt service property tax levy. If the City were to issue general obligation bonds in the future, once indebtedness has been approved by the voters and the general obligation bonds are issued, the City would be required under Article VI, Section 26(f) of the Missouri Constitution to levy an annual debt service tax on all taxable tangible property therein sufficient to pay the interest and principal of the general obligation bonds as such payments become due and to retire the bonds within 20 years from the date the bonds are issued. If such general obligation bonds are issued by the City in the future, the City Council would have the authority to set the tax rate for debt service, without limitation as to rate or amount, at the level required to make such payments on the general obligation bonds.

**Operating Levy.** Currently, for the calendar year/tax year ending December 31, 2019, the City will levy (1) a property tax for its general governmental services (the **“General Fund Levy”**) equal to \$0.4600 per \$100 of assessed valuation (applicable to the City’s current Fiscal Year ending October 31, 2020, because the property tax is levied in calendar year ending December 31, 2019), and (2) a property tax for its firemen’s retirement fund (the **“Firemen’s Retirement Levy”**) equal to \$0.0961 per \$100 of assessed valuation (applicable to the City’s current Fiscal Year ending October 31, 2020, because the property tax is levied in calendar year ending December 31, 2019), based upon the assessed value of all tangible taxable real and personal property located within the City as of January 1, 2019, after Board of Equalization adjustments.

Any property taxes levied by the City for operations, such as the City’s General Fund Levy and the Firemen’s Retirement Levy (collectively, the **“Operating Levy”**) cannot exceed the **“Tax Levy Ceiling”** for the current year without voter approval. The Tax Levy 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 the lesser of (1) actual assessment growth, (2) 5% or (3) the Consumer Price Index.

Pursuant to Article X, Section 11(c) of the Missouri Constitution, any increase in the City’s Operating Levy above \$1.00 must be approved by two-thirds of the voters voting on the proposition. Without the required percentage of voter approval, the Tax Levy Ceiling cannot at any time exceed the greater of the tax rate in effect in 1980 or the most recent voter-approved tax rate (as adjusted pursuant to the provisions of the Hancock Amendment and SB 711, as defined and more fully explained below). If the City were to issue general obligation bonds in the future, the tax levy for debt service on such general obligation bonds would be exempt from the calculations of and limitations upon the Tax Levy Ceiling.

Article X, Section 22(a) of the Missouri Constitution (popularly known as the **“Hancock Amendment”**), approved in 1980, places limitations on total state revenues and the levying or increasing of taxes without voter approval. The Missouri Supreme Court has interpreted the definition of “total state revenues” to exclude voter-approved tax increases. The Hancock Amendment also includes provisions for rolling back tax rates. If the assessed valuation of property, excluding the value of new construction and improvements, increases by a larger percentage than the increase in the Consumer Price Index from the previous year (or 5%, if greater), the maximum authorized current levy must be reduced to yield the same gross revenue from existing property, adjusted for changes in the Consumer Price Index, as could have been collected at the existing authorized levy on the prior assessed value. This reduction is often referred to as a **“Hancock Rollback.”** If the City were to issue general obligation bonds in the future, the tax levy for debt service on such general obligation bonds would be exempt from the Hancock Rollback limitations.



In 2008, through the enactment of Senate Bill 711 (“**SB 711**”), the Missouri General Assembly approved further limitations on the amount of property taxes that can be imposed by a local governmental unit. Prior to the enactment of SB 711, a Hancock Rollback would not necessarily result in a reduction of a city’s *actual* Operating Tax Levy if its current tax levy was less than its current Tax Levy *Ceiling*, due to the city’s voluntary rollback from the maximum authorized tax levy. Under SB 711, in reassessment years (odd-numbered years), the Hancock rollback is applied to a city’s *actual* Operating Tax Levy, regardless of whether that levy is at the city’s Tax Levy *Ceiling*. This further reduction is sometimes referred to as an “**SB 711 Rollback**.” In non-reassessment years (even-numbered years), the Operating Levy may be increased to the city’s Tax Levy Ceiling (as adjusted by the Hancock rollback), only after a public hearing and adoption of a resolution or policy statement justifying the action.

**History of Property Tax Levies.** The following table shows the City’s property tax levies (per \$100 of assessed valuation) for the City’s current fiscal year ending October 31, 2020, the Fiscal Year ended October 31, 2019, and each of the prior Fiscal Years listed below:

<b>Fiscal Year Ended October 31</b>	<b>General Fund</b>	<b>Firemen’s Retirement Fund</b>	<b>Total Property Tax Levy</b>
2020	\$0.4600	\$0.0961	\$0.5561
2019	0.4600	0.0961	0.5561
2018	0.4600	0.0961	0.5561
2017	0.4600	0.0961	0.5561
2016	0.4600	0.0961	0.5561
2015	0.4600	0.0961	0.5561

*Source:* Missouri State Auditor Property Tax Rate Reports for calendar years 2014 through 2018; City’s Comprehensive Annual Financial Reports for Fiscal Years ended October 31, 2016 through 2018. Tax Rate Certification Letter for calendar year ending December 31, 2019, relating to City’s fiscal year ending October 31, 2020.

### Property Tax Collection Record

The following table sets forth tax collection information for the City for the last five Fiscal Years.

<b>Fiscal Year Ended October 31</b>	<b>Total Levy</b>	<b>Total Net<sup>(1)</sup> Taxes Levied</b>	<b>Current and Delinquent Taxes Collected</b>	
			<b>Amount</b>	<b>%</b>
2019	\$0.5561	\$4,951,089	\$4,747,041	95.9%
2018	0.5561	4,896,931	4,761,805	97.2%
2017	0.5561	4,838,766	4,720,216	97.5%
2016	0.5561	4,728,336	4,601,526	97.3%
2015	0.5561	4,693,499	4,604,388	98.1%

*Source:* Missouri State Auditor Property Tax Rate Reports for calendar years 2014 through 2018; For Fiscal Years ended October 31, 2015 through 2018, City’s Comprehensive Annual Financial Report for Fiscal Year ended October 31, 2018, “*Statistical Section*” pg. 120. For Fiscal Year ended October 31, 2019, the City’s unaudited internal records.

<sup>(1)</sup> “**Total Net Taxes Levied**” is calculated by dividing the assessed valuation (as of the calendar year prior to the Fiscal Year shown) by 100 and multiplying by the Total Levy then subtracting the one percent (1%) fee charged by Callaway County and Cole County for collecting property taxes for the benefit of the City. The assessed valuation used is the assessed valuation of the City as adjusted through December 31 of the calendar year prior to the Fiscal Year shown. The assessed valuation includes state assessed railroad and utility property, but excludes assessed valuation amounts attributable to the incremental increase in assessed valuation over the established assessed valuation base within TIF Redevelopment Areas located within the City. See the explanation under the section captioned “**Tax Abatement and Tax Increment Financing**” herein.

## Major Property Taxpayers

The following table shows the ten taxpayers with the greatest total assessed valuation as of January 1, 2019, after Board of Equalization adjustments:

<u>Owner</u>	<u>Type of Use</u>	<u>Assessed Valuation</u>	<u>Approximate Percentage of Total 2019 Assessed Valuation</u>
Unilever	Manufacturing	\$15,647,992	1.72%
Union Electric Company	Utility	13,533,660	1.49%
Missouri American Water Co	Utility	10,118,963	1.11%
Wal-Mart	Retail	8,960,000	0.98%
Scholastic Inc	Publishing	6,124,440	0.67%
Jefferson City Medical Group	Healthcare	6,072,000	0.67%
Wildwood Crossing Shopping Center	Retail	4,640,000	0.51%
Atrium Finance	Hotel/convention center	3,680,000	0.40%
Sam's Real Estate Business Trust	Retail	3,664,000	0.40%
Menard Inc.	Retail	3,504,770	0.38%
Total		\$75,945,825	8.34%

Source: Cole County Assessor.

## Sales Tax Collections

In addition to the City property tax levies on real and personal property, the City collects the following sales taxes:

- 1-cent (1.00%) general fund sales tax;
- ½-cent (0.50% of 1.00%) capital improvement sales tax; and
- ½-cent (0.50% of 1.00%) local parks sales tax (the “**0.50% Local Parks Sales Tax**”)

**It is the current intention of the City to satisfy its obligation to make debt service payments on the Series 2019 Bonds, subject to annual appropriation by the City Council, from revenues generated by the City’s 0.5% Local Parks Sales Tax. However, the City’s obligation to make such debt service payments is not limited to the revenues generated from the 0.50% Local Parks Sales Tax, and such 0.50% Local Parks Sales Tax revenues are not and cannot be pledged to the payment of the Series 2019 Bonds.**

At an election held in April 2005, the qualified voters of the City approved the 0.50% Local Parks Sales Tax with no sunset provision (*i.e.*, no expiration date). The City began collecting the 0.50% Local Parks Sales Tax on October 1, 2005.

The City’s 0.50% capital improvement sales tax was originally approved by the voters of the City at an election held in 1987 with a 5-year sunset limitation. Since 1987, voters of the City have continued to renew the 0.50% capital improvement sales tax for five-year installments. At an election held in the City in August 2016, the voters of the City approved the most-recent renewal of the 0.50% capital improvement sales tax for a period of five years, which five-year period began on April 1, 2017, and is set to expire on March 31, 2022. The City expects to call an election in August 2021 to renew the 0.50% capital improvement sales tax for an additional five-year period.

The City’s 1.00% general fund sales tax is not subject to any sunset limitation (*i.e.*, no expiration date).

The City's revenue for the Fiscal Years ended October 31, 2014 through 2018, generated from the sales tax levies are as follows:

<b>Fiscal Year Ended October 31</b>	<b>1.00% General Fund</b>	<b>0.50% Capital Improvements<sup>(1)</sup></b>	<b>0.50% Local Parks</b>	<b>Total</b>
2018	\$11,577,513	\$5,545,522	\$5,554,002	\$22,677,037
2017	11,418,901	5,500,311	5,492,397	22,411,609
2016	11,121,425	5,356,330	5,358,988	21,836,743
2015	10,976,960	5,260,753	5,259,477	21,497,190
2014	10,223,956	4,877,931	4,874,018	19,975,905

*Source:* City's Comprehensive Annual Financial Reports for Fiscal Years ended October 31, 2014 through 2018.

<sup>(1)</sup> The voters of the City approved the most-recent renewal of the 0.50% capital improvement sales tax for a period of five years, which five-year period began on April 1, 2017, and is set to expire on March 31, 2022. The City expects to call an election in August 2021 to renew the 0.50% capital improvement sales tax for an additional five-year period.

### Major Sales Taxpayers

The following table shows the ten largest sales taxpayers located within the boundaries of the City and the percentage of the total taxable retail sales within the City generated by each sales taxpayer as of Fiscal Year ended October 31, 2018 (*the most recent Fiscal Year for which such data is available*):

<b><u>Sales Taxpayer</u></b>	<b><u>Percentage of Total Taxable Retail Sales for Fiscal Year Ended October 31, 2018</u></b>
Wal-Mart	12.70%
Sam's Club	4.19%
Ameren UE	3.58%
Lowe's Home Centers	3.14%
Dillion Stores	3.05%
Hy-Vee	2.84%
Menards	2.62%
Target	1.98%
AT&T Mobility	1.45%
Schnucks	<u>1.41%</u>
	36.96%

*Source:* City's Comprehensive Annual Financial Report for Fiscal Year ended October 31, 2018.

\* \* \*

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**APPENDIX B**

**CITY OF JEFFERSON, MISSOURI**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
WITH INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED OCTOBER 31, 2018**

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# City of Jefferson *Missouri*

## Comprehensive Annual Financial Report

For the fiscal year ended October 31, 2018



**CITY OF JEFFERSON,  
MISSOURI**



**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**For The Year Ended October 31, 2018**



**CITY OF JEFFERSON,  
MISSOURI**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**For The Fiscal Year Ended October 31, 2018**

**Prepared By: Department of Finance**

**CITY OF JEFFERSON, MISSOURI**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED OCTOBER 31, 2018**

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# **INTRODUCTORY SECTION**



April 26, 2018

## To the Honorable Mayor, City Council and Citizens of the City of Jefferson, Missouri

The Finance Department is pleased to present this Comprehensive Annual Financial Report (CAFR) of the City for the fiscal year ended **October 31, 2018**. A copy of the report is on file in the City Clerk's office for public inspection. A copy will also be filed with the State Auditor's office to fulfill requirements of section 105.145 of Missouri statutes.

This report consists of management's representations concerning the finances of the City of Jefferson. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. Because the cost of internal controls should not outweigh their benefits, the City of Jefferson's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

This report contains the following sections: **Introductory, Financial, Statistical and Federal Awards.**

The **Introductory** Section, which is unaudited, includes this transmittal letter, the Certificate of Achievement for Excellence in Financial Reporting, an organizational chart and a listing of elected and appointed officials. This section is intended to give the reader a basic background about the City as a whole, local economic factors, major initiatives and accomplishments.

The **Financial Section** is divided into (1) the **Independent Auditors' Report**, (2) **Management's Discussion and Analysis (MD&A)**, (3) **Basic Financial Statements**, (4) **Notes to Financial Statements**, (5) **Required Supplementary Information**, (6) **Notes to the Required Supplementary Information**, (7) **Supplemental Financial Statements and Schedules**, (8) **Internal Service/Agency Fund**, and (9) **Capital Assets used in the Operation of Governmental Funds**.

City Charter section 3.10 requires that the Council provide for an annual audit of all City accounts by a certified public accountant. The City of Jefferson's financial statements have been audited by **Evers & Company, CPA's, L.L.C.**, a firm of licensed certified public accountants. The goal of the **independent audit** was to provide reasonable assurance that the financial statements of the City of Jefferson for the fiscal year ended October 31, 2018 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Jefferson's financial statements for the fiscal year ended October 31, 2018 are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditors' report is presented as the first component of the financial section of this report.

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

The **Statistical** Section, which is unaudited, reflects social, demographic and economic data, financial trends and other pertinent information relating to the fiscal capacity of the City.

**Federal Awards.** The independent audit of the financial statements of the City of Jefferson was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies in accordance with Government Auditing Standards issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports can be found in the Federal Awards Section of this report.

## **Profile of the Government**

The City of Jefferson is the capital of Missouri and county seat of Cole County. Located on the banks of the Missouri river in the center of the state, it is the hub of state government which is the City's largest employer and its major industry.

The City was established by an act of the U.S. Congress on December 31, 1821 and was originally laid out by Daniel M. Boone, son of the famous pioneer, and Major Elias Bancroft. It has the distinction of being located on land donated by the federal government for establishment of a state capital city. Many of the original settlers came from Virginia in the vicinity of Monticello, the home of Thomas Jefferson, and were, in fact, friends of the former President. The City of Jefferson, named in his honor, was incorporated in 1825, four years after its founding.

The City of Jefferson operates under the Constitution and laws of Missouri, and a City Charter adopted in 1986. The City is governed by a Mayor elected for a four-year term and ten Council members elected for overlapping two year terms from five districts. The Mayor, as the chief executive officer of the City, presides over Council meetings voting only in the case of ties, but retaining veto power over Council enactments. A City Administrator nominated and appointed by the Mayor with the advice and consent of the Council, is responsible for coordination and general supervision of all departmental operations. The Administrator recommends appointment and removal of department and division heads to the Mayor and Council and is responsible for employment or discharge of subordinate employees, except those governed under the Parks and Recreation Commission and the Police Personnel Board.

## **Factors Affecting Financial Condition**

The results of the 2010 Census indicates an 8.7% increase in the City's population over the last decade which now stands at 43,079 (Cole County 75,990 and Callaway County 44,332). However, Jefferson City has maintained a unique combination of "small town" friendliness with cosmopolitan ambience.

Missouri state government is the City's largest and most stable employer with 14,174 employees. It also represents an extremely reliable job base since the state government is not likely to relocate. However, since the State of Missouri has had budget problems in recent years this could impact the economic future of our city.

New retail businesses have continued to grow within the City. Cole County consistently ranks as one of the lower unemployment areas in the state. The local average unemployment rate for October 2018 was 1.9% which was well below the statewide (2.3%) and national (3.5%) rates.

Unassigned fund balance in the general fund of \$8,289,017 was 24.5% of the total general fund expenditures at October 31, 2018. The general fund revenues increased by 8.6% over the past 5 years (2013 vs. 2018) while the general fund expenditures and transfers out increased by 10.8%.

## **Relevant Financial Policies**

Missouri Revised Statutes requires First Class Counties to distribute to municipalities within the county a pro rata share of the road and bridge tax collected. The County transfers the City's share of this tax directly to the City rather than making the road improvements. Accordingly, the Council plans to designate the amounts it receives from the County Road and Bridge Tax funds for road and bridge improvements.

## **Major Initiatives, Accomplishments and Future Issues**

### **Administration**

In FY18, the City Administrator continued to ensure implementation of policy at the direction of the Mayor and City Council. Additionally, the City Administrator assisted with several Mayor and Council initiatives, including, but not limited to: continuation of current employee health plan design; provided policy and technical review of various development proposals; provided a recommended budget to the Mayor; assisted in reviewing, developing, and/or monitoring various State and Federal legislative proposals; reviewed and approved several personnel reclassifications; reviewed several staff reporting/organizational changes or departmental reorganizations; assisted in the general discussions regarding funding of facility maintenance, vehicle acquisition; and reviewed infrastructure facility and equipment capital expenditures; reviewed staff's employee compensation and benefit analyses and recommendations to the Mayor and and/or City Council; provided general guidance and follow up on City cyber security related issues; participated in planning for several community events; and provided City Charter required general supervision of City departmental operations, activities, and initiatives.

The City Administrator, with applicable departments within the City, and the Chamber of Commerce, worked on various economic development related initiatives/proposals, some of which came to fruition during FY18. The City will continue to assist in economic development efforts, to include recruitment of new businesses and retention/growth of existing businesses.

The City Administrator participated in, and will continue to participate in, several financial/budget related analyses, including: use tax; bond financing; tax increment financing; property tax assessment; fund balance use; and long term vehicle and facility financing.

Courtesy of Steve Crowell, City Administrator

### **Human Resources**

During FY2018, the Human Resources Department was awarded a Silver Level Workplace Health Achievement award by the American Heart Association for taking significant steps to build a culture of health in the workplace. With the assistance of administration, the department also rolled out a weekly newsletter which highlights employee benefits, events, employment opportunities, healthy living programs and information, and local wellness related events. This newsletter puts all employee information into one publication and lowers the number of e-mails which were being sent on a weekly basis. The department also oversaw RFP processes for administration of our self-insured worker's compensation program and benefit services provider. Moving the benefit services from a commission based contract to a flat fee resulted in substantial savings and lower costs for life insurance, long-term disability insurance, accident insurance and critical illness coverage. In the area of safety, the department implemented a Nurse Now program for the fire and police supervisors and injured employees to obtain assistance outside business hours, saving employees from unnecessary emergency room visits. In the area of recruiting, the department worked with hiring managers to do targeted advertising on social media. Lastly, the department continues to research and review Learning Management Systems and electronic Performance Management Systems in preparation for improving employee performance initiatives upon funding and approval.

Courtesy of Gail Strobe, Director of Human Resources

### **Planning and Protective Services**

#### **Metropolitan Planning Organization**

The Capital Area MPO is the official transportation planning organization for the Jefferson City urbanized area. The City of Jefferson serves as the administrator for this federally-mandated program.

Major accomplishments for 2018 included:

- **Mapping** – CAMPO staff worked with JEFFTRAN staff on route configurations and corresponding changes to route guides (both for individual routes and an overall system map). CAMPO staff also provided transportation and land-use related mapping technical assistance to member communities, including zoning and sewer maps.
- **Active Transportation** – Co-hosted the 2018 Active Transportation Summit with the Missouri Bicycle and Pedestrian Federation, Missouri Department of Health and Senior Services, and the Missouri chapter of the Association of Pedestrian and Bicycle Professionals.
- **Public Engagement** – Began public engagement and stakeholder activities to develop shared long range visions for Jefferson City and all CAMPO communities by analyzing items such as health, transportation, livability, economic development, environmental and land use issues, all of which affect the city and metropolitan area.
- **Metropolitan Transportation Plan (MTP) Update** - The MTP is the long-range transportation plan for the MPO planning area. The federally required plan covers a planning horizon of at least 20 years and is updated every 5 years. A full rewrite and update of the MTP was ongoing throughout 2018, with the incorporation of the Coordinated Public Transit Human Services Transportation Plan and updates to several sections of the plan. CAMPO staff started an RFQ process in early 2017 seeking a consultant to assist with updating the Travel Demand Model and Visioning, both of which will feed the update of the plan. A consultant was selected in early 2018 and it is anticipated the plan will be completed in early 2019.
- **Administrative Functions** – The 2019-2023 Transportation Improvement Program, FY2019 Unified Planning Work Program, FY2018 Annual Listing of Obligated Projects, and other planning documents were produced.

### **Redevelopment and Grants**

The Neighborhood Services Division contributes to safety and the quality of life in Jefferson City by promoting sustainable neighborhoods through grants and initiatives as well as enforcement of housing codes and property maintenance codes. This is accomplished by several program areas and committees such as the Community Development Block Grants, Neighborhood Reinvestment (Old Town), Historic Preservation Commission, Façade Committee, Recycling, etc. The following are a few highlights of 2018.

- **Community Development Block Grant (CDBG) Program** - During 2018, the CDBG Entitlement program assisted 18 Low to Moderate Income households with Down Payment Assistance, Code Deficiency, and Energy Efficiency and Emergency Assistance programs. The purpose of the program is to assist low-to-moderate income homeowners with up to \$5,000 for purchase of single family residence, repairs to meet health and safety standards; to provide the opportunity to realize measurable energy savings; or assist with emergency repairs. Demolition was completed at 1204 E High St. in January 2018 for \$25,250. The vacant site was donated to River City Habitat for Humanity. Habitat for Humanity will construct a single family house on site to be sold to a low to moderate income family.

Staff participated in the fourth annual Project Homeless Connect. The one day event served over 180 individuals experiencing homelessness by providing access to much needed services and resources such as shelter/housing, food, clothing, ID cards, medical care, dental care, mental health screening, substance abuse screening, job placement, bus passes, haircuts, showers, and much more. This event brought together almost 50 community organizations and nearly 200 volunteers in a unique community-wide effort to address the serious issue of homelessness in our city.

- **Neighborhood Stabilization Program** - In 2009, the City was awarded State CDBG Neighborhood Stabilization Program funds in the amount of \$440,776. The project consists of acquisition and rehabilitation of foreclosed homes. To date, the City has acquired six properties. Three properties were rehabilitated & sold to eligible Area Median Income households. Two properties were demolished, plots merged into one and then donated to Habitat for Humanity for reconstruction of a single family residence. One property at 408 Lafayette Street remains in the possession of the City. The City anticipates completing and closing out the program in 2019.
- **City Reinvestment Incentives** - The City's Neighborhood Reinvestment Act Programs provided incentives for owner-occupied homes and commercial buildings within the "Old Town" Area. Between the Residential Down Payment and Tax Reimbursement programs a total of 26 properties have benefited with 11 properties receiving assistance for down payment. The Commercial Façade & Adaptive Reuse Tax Reimbursement programs currently have six active properties participating. During 2018, the Rental Façade Improvement program approved five properties for participation and three properties were completed. The Rental Façade Program assists landlords with rental properties by reimbursing 50% of the cost of improvements to façades of eligible buildings, up to \$5,000 per unit with a maximum of \$10,000. The goal of the program is to improve the exterior appearance and condition of residential rental properties. Eligible properties include single-family or duplexes utilized as rental property. Exterior improvements must be significant and meet appearance guidelines published by the Historic Preservation Commission.
- **Historic Preservation Commission** - The City of Jefferson was officially certified by the National Park Service on August 26, 2004. During the early years of being a Certified Local Government, the Commission recognized many challenges facing the community in the area of historic preservation. The commission has worked to play a pro-active role in the community in the hopes of preventing the need to react to negative situations, such as the demolition of important structures. During 2018, the City of Jefferson Historic Preservation Commission reviewed 23 demolition applications and 13 Section 106 reviews for federally funded projects. Compared to 2017, the demolition applications increased from 6 to 23. Historic City of Jefferson's proposed demolition ordinance was passed as Ordinance No. 15760 on January 2, 2018. In addition, the School Street Local Historic District became The City of Jefferson's first local historic district. The School Street Local Historic District is bounded on the north by the 600 block of E McCarty St, on the east by the 400 and the west side of the 500 block of Lafayette St and all of School St. The area represents a part of our community's history from the post-Civil War era through the 1960's.
- **Recycling** - The City of Jefferson has multiple programs available to help residents recycle a wide variety of materials. The City's overall calculated diversion rate as of October 31, 2018, was approximately 46%. On average, the residents of the City of Jefferson are recycling 24% of their waste. Republic Services collected 16,450,860 pounds of generated waste with approximately 13,787,000 being diverted away from the landfill via one of the available recycling programs including single stream recycling and glass recycling.

Single Stream Recycling accepted materials include aluminum cans, mixed paper fiber, cardboard, plastics # 1, 2, 3, 4, 5, & 7. Of the total diverted waste, 5,244,260 pounds was through the Single Stream Recycling program.

- **Glass Recycling** - In 2011, the City of Jefferson began a glass recycling program with Ripple Glass. The City of Jefferson offers 4 locations to recycle glass:
  - 1700 South Ridge Dr. McKay Park,



- 2284 Hyde Park Road,
- 1228 E. McCarty Street Save a Lot Parking lot,
- 2730 W. Main Street (front parking lot of federal recycling building).

Recycled glass is consolidated at a city facility and then sent to Ripple Glass in Kansas City, MO. Upon arriving at Ripple, glass is cleaned, sorted and crushed into cullet. The cleaned cullet is then made into insulation or new glass bottles. Communities that participate in glass recycling with Ripple Glass receive an insulation donation at the end of each year to be used as they wish. River City Habitat for Humanity has been recipient of these donations for over 3 years. In 2018, approximately 422,080 pounds of glass was recycled which represents a 4% increase over 2017.

- **Drop-Off Recycling** - In May 2018, New World Recycling terminated their zero dollar contract for collecting, processing, and marketing newspaper, magazines and cardboard from six different locations for a total of nine containers. The City is no longer offering this drop off service and the bins were removed on June 15, 2018. Individuals may still recycle through Single Stream recycling carts (grey top lid), New World Recycling, or Federal Recycling.
- **Household Hazardous Waste** - In March of 2011, the Cole County Household Hazardous Waste Facility opened. The Household Hazardous Waste facility is a cooperative project between the City, Cole County and Republic Services dedicated to serving the residents of Cole County at no charge. The Household Hazardous Waste Facility provides the ability to keep products that contain corrosive, toxic, flammable or reactive ingredients out of landfills, streams, and ditches where it could potentially cause harm to ecosystems and human health. In 2018, 207 residents were served and over 13,272 pounds of waste were collected.
- **Adopt A Street/Adopt A Spot Program** - 15 organizations have adopted 6.6 miles of city streets through the Adopt-A-Street program. They are charged with picking up litter in their designated areas. One organization is participating in the Adopt-A-Spot program with the adoption of an island on Tower Drive. They have taken responsibility for limited plantings, watering and mowing. The City of Jefferson assisted the Downtown Jefferson City Association in creating an Adopt-A-Block program. The boundaries are 100 W High St to 300 E High St; 100 – 200 Block of Madison St. The program requires at least quarterly, to engage in planting and pruning of trees, litter pick up (including cigarette butts), policing the area around the trash receptacles and other activities approved by the City. The adopter will also take note of any safety hazards, damaged benches, signs or sidewalks and report them to the City.

### Property Maintenance

The purpose of the Property Maintenance/Code Enforcement Division is to contribute to the quality of life by promoting safety of the community through enforcement of housing codes and property maintenance codes.

- During FY2018, staff in the Property Maintenance Unit handled 4,424 property maintenance cases. This is a 18% increase over the 3,217 property maintenance activities handled in FY17. As of October 31, 2018, 98% of the cases had been resolved through voluntary compliance, tax lien abatement, court summons, administrative hearings, or had no violation. Of all cases investigated approximately 96% were closed. Of the 4% open, 105 are abandoned buildings and 2 are referral to other agencies. This would bring the cases closed up to 97% closed since November 1, 2017. Property Maintenance staff continue to work on remaining active cases until a resolution is obtained. Tall weeds and grass accounted for 32% of the violations, abandoned building complaints at 13%, outdoor storage violations and trash violations at 11% each, and blue cart violations at 10%.
- The following is a list of code amendments made during 2018 which will strengthen code enforcement, provide clarifications and improve communications:
  - Amended Chapter 8 Landlord Registration and Abandoned Building Registration. Landlord Registration was changed requiring owners of any rental dwelling to register as a landlord annually between January 1 and 31. Landlord registration is free. Registering annually will ensure the City has current and proper contact information which will aid in times of emergency. The city will be able to use contact information for distribution of educational material and other information. The Abandoned Buildings definition was expanded to include buildings owned, operated, or subsidized by public or nonprofit agencies. The registration fee went from \$40 per month to a semi-annual fee of \$200. If the owner fails to pay, the City may collect delinquent fees by means of lien on property, inability to obtain permits, foreclosure and/or sale of property.

- Amended the administrative costs for abating nuisances in Chapter 21. An administrative fee is charged upon filing the special tax bill with the City Clerk after completion of nuisance abatement activity. The fee was last updated in May 2007 when it was increased from \$55 to \$100. The amendment increased the fee to \$250.00. Last year, staff conducted an analysis of staff time associated with code enforcement processes including investigating, notification, summons, hearings, nuisance abatement, etc. and determined the approximate personnel cost with nuisance abatement is \$343. Based on research of other Missouri Cities of similar size and their fees, staff recommended increasing the fee to \$250.00. Increasing the administrative fee will help the city recover actual costs associated with nuisance abatement. In addition, the increased fee may aid in gaining voluntary compliance from property owners. An interest rate of 8% is charged 30 days after the date of approval. If not paid, the special tax bill is turned over to the Cole County Tax Collector to be included in property taxes assessment.
- Amended the solid waste designation for single family residence and duplex units. In 2016, the city entered into a 10 year contract for solid waste services. The contract defines who the Responsible Party for obtaining trash service is: *Responsible Party. The owner of the property, except that the owner may assign responsibility to the occupant of any single family residence or duplex, only. Any assignment of responsibility shall only be effective if it is in writing and specifically states that the occupant is responsible to obtain and maintain solid waste, or trash, service.* The assignment of responsibility from landlord to tenant apparently was first implemented with the trash cart system in 2009. It is our understanding that individuals and/or organizations from the community such as realtors and landlords opposed requiring the landlord to take the responsibility of providing trash service. After seven years of this requirement, staff encounters problem with tenants not getting service. Often, no trash service is identified by complaints of using other persons trash containers, letting it accumulate at their residence, illegal dumping on other property or disposing of it in other illegal means.
- Amended Chapter 21, Article II Weeds as staff determined the existing code did not exactly specify what natural vegetation is. After completing research of other municipalities, Missouri State Department of Conservation, Missouri University Extension, and U.S. Environmental Protection Agency, staff has developed an amendment to clarify and define weeds and natural vegetation. Changes included providing definitions for different varieties of plants such as exotic, invasive, native, nuisance and ornamental. Other definitions include variety of landscapes, noxious weeds, turf grass & weed and vermin harborage. Clarified landscape areas being free from turf grass & weeds, prevention of vermin harborage, nuisance plants weeds and preventing safety hazards such as obstructing line of sight and interfering with passage of vehicles, bicycles, pedestrians, etc.; a list of exceptions is provided in reference to managed landscapes, cultivated crops, undeveloped lots and steep slopes.

### Environmental Health Services

The purpose of the Environmental Health Services Division is to contribute to the quality of life by promoting the safety of the community through environmental health education, inspections and enforcement of environmental health laws and regulations.

- **City of Jefferson Municipal Cemeteries**-The Environmental Health Division in conjunction with the City of Jefferson Cemetery Resources Board continues to make progress in restoring Old City Cemetery and Woodland Cemetery on East McCarty Street. Numerous gravestones have been restored to preserve these historic cemeteries history. This past year the Cemetery Resources Board in partnership with the Historic City of Jefferson hosted a historic walking tour in Old City Cemetery and Woodland Cemetery. Volunteers from the community dressed in period costumes to represent those interred in these cemeteries and told their life story and how they helped develop the Jefferson City community. The event was a success with numerous people attending to learn about Jefferson City history.

Also in 2018, Old City Cemetery and Woodland Cemetery were placed on the National Register of Historic Places sponsored by the United States Department of Interior. This prestigious recognition places Old City Cemetery and Woodland Cemetery on a national list of historic places to visit. It is very rare a cemetery is placed on the list, but these two cemeteries have unique individuals and architecture that helped them qualify for the national list.

- **Food Safety Inspection Program**-The Environmental Health Division continues to promote its online food safety education course. The course allows individuals to go online to take a food safety course for both the employee and manager of a food service operation. This course is offered in eight languages, English, Spanish, Korean, Mandarin, Vietnamese, Tagalong, Serbo-Croatian, and American Sign Language (ASL). The Environmental Health Division is also offering onsite classroom food safety education presentations to those food establishments who request it. This presentation goes over the basics of food safety in a food service establishment.

- The Environmental Health Division continues to enforce the City of Jefferson Food Code. This code helps identify food safety violations so unsafe food handling practices can be corrected in commercial food establishments, thus reducing the possibility of food borne-illnesses. Inspectors are routinely monitoring commercial food service establishments to ensure safe food is being produced for the consumers. The Division inspects over 300 food establishment operations in Jefferson City.
- Food recalls are another component of the food safety program in Jefferson City. The Environmental Health Division monitors food safety recalls throughout the year to determine which products are affected in Jefferson City food establishments. Inspectors will then check to make sure the product in question is removed from sale to the consumer to prevent any food safety issues.
- **Child Care Inspection Program**-The Environmental Health Division continues its contract with the Missouri Department of Health and Senior Services in the sanitation inspections of child care facilities in Jefferson City. Each year the division inspects child care homes and child care centers for sanitation requirements in their licensed facilities. This helps ensure that children in Jefferson City are being cared for in a safe and sanitary environment. The Environmental Health Division inspects approximately fifty child care facilities in Jefferson City.
- **Yard Waste Disposal Services**-In 2018, the City of Jefferson entered into a five year contract with All Season Landscaping to operate a yard waste drop-off and compost site at 2417 Southridge Drive. The yard waste drop-off and compost site give residents an outlet to dispose of yard waste that is generated from their yards. New to the current contract is a curbside on demand option which give residents an option to have yard waste picked up curbside at their residents for a fee. During 2018, approximately 16,483 patrons have brought in over 24,000 cubic yards of yard waste.

### **Building Regulations Division**

The purpose of the Building Regulations Division is to contribute to the quality of life by promoting the health, safety and welfare of the community through construction inspections and enforcement of building codes.

- A major effort for Building Regulations staff in 2018 was to help the community with the new 2015 version of the code. The new codes went into effect October 21, 2017. Included in the building code adoption were some new technical codes that are: Mechanical; Fuel Gas; Swimming Pool and Spa; and the Existing Building. These help to expand, address and clarify some areas of building systems and associated regulations that filled some gaps.
- A new position was introduced to the Building Regulations Division to strengthen plan reviews. The new plan examiner position was filled with an individual that also has a Master Mechanical license. He took and passed his ICC Mechanical Commercial and Residential Inspection certifications, including the Fuel Gas Inspector certification. With this addition, the Division has master licenses in mechanical, electrical and plumbing. This is in addition to a licensed Architect and Professional Engineer (structural).
- This fiscal year was busy. A total of 939 permits were issued with a total valuation of more than \$161 million. This permit number includes the following types: building (408); demolitions (27); electrical (154); plumbing (285); and signs (65).
- Some notable projects that were permitted this year are:
  - New high school for Jefferson City Public Schools, 2500 Mission Drive
  - Jefferson City High School renovations, 609 Union Street
  - New office building for the Soybean Association, 734 S. Country Club Drive
  - New fire station Number 2, 2935 E. McCarty Street
  - Renovation & 2 story addition to River Region Credit Union, 3124 W. Edgewood Drive
  - 57,600 sf building addition to Morris Packaging, 6850 Algoa Road
  - Addition and renovation to Grace Evangelical Free Church, 3011 S. Ten Mile Drive
  - Renovate Walmart store, 724 W. Stadium Boulevard
  - St. Joseph school gymnasium addition, 2303 W. Main Street
  - New Veterans Administration Clinic, 3430 W. Edgewood Drive
  - New church, 2500 Tanner Bridge Place
  - Retro fit of existing Kmart building to an Orscheln Farm & Home, 2304 Missouri Boulevard
  - New construction of a Kentucky Fried Chicken restaurant, 1209 Missouri Boulevard
  - New construction of Starbucks, 505 Missouri Boulevard

- New event center at Turkey Creek Golf Center LLC, 1616 Oil Well Road
- McDonald's remodel, 1425 Missouri Boulevard
- McDonald's remodel, 1918 Jefferson Street
- Demolish existing structure and build new 4,000 sf building, 2120 Missouri Boulevard for Sprint
- Renovate the upper level for a municipal court, 427 Monroe Street
- New community event center, 501 Broadway Street

### **Planning Division**

The purpose of the Planning Division is to contribute to the quality of life through land use planning and administration of development codes.

Staff reviewed the following major projects for compliance with zoning and site design standards:

- New Capital City High School located in the 2500 Block of Mission Drive
- New Kentucky Fried Chicken Restaurant located at 1209 Missouri Boulevard
- New Fire Station located at 2935 E McCarty Street
- River Regional Credit Union Expansion located at 3124 W Edgewood Drive
- New Veterans Administration Medical Clinic located at 3430 W Edgewood Drive
- New Starbucks located at 505 Missouri Boulevard
- Old Saint Mary's Hospital Demolition located at 610 Missouri Boulevard
- Jefferson City High School Renovation located at 609 Union Street
- A total of 39 commercial construction site plans were processed in 2018

Planning Staff prepared:

- Amendments to Chapter 3 (Advertising and Signs) of the City Code pertaining to temporary signage
- Implementing recommendations from the Historic Southside / Old Munichburg District and Neighborhood Plan by rezoning two portions of the Southside Neighborhood

Planning staff reviewed applications for zoning and variance related requests and processed cases for review by the Planning and Zoning Commission and Board of Adjustment. Notable cases included:

- Processing of multiple applications for short-term rentals under new special exception process
- Rezoning of 734 South Country Club Drive to accommodate the planned office construction for the Missouri Soybean Association
- Conditional Use Permit for the expansion of a water tower utility site for Public Water Supply District #2
- A total of 29 Planning and Zoning cases and 7 Board of Adjustment cases were processed in 2018

Courtesy of Sonny Sanders, Director of Planning and Protective Services

### **Public Works Department**

In 2018 the Public Works Department worked to fill key vacant positions with new staff. Much of the vacancies were due to retirements. Over 50% of the 130+ employees in Public Works have worked for the Department less than five years. In the coming year (2019) Public Works Administration will focus on developing the many new hires with technical training as well as customer service and management skills.

### **Engineering**

The Engineering Division of Public Works will continue to implement the many projects noted in the 2017-2022 ½ Cent Capital Improvement Sales Tax. Major projects completed in 2018 were the reconstruction of the sidewalks and installation of new electrical services in the Downtown area, the construction of Cavalier Drive, as well the Edgewood to Hwy 179 trail project. Goals to complete in 2019 are the Dunklin Street Bridge and Corridor, the East High sidewalks, the Morris Packaging rail spur, striping of bicycle facilities on Main and Miller, and various stormwater improvements.

### **Transit**

Transit completed a reconfiguration of its entire system in 2018, improving routes to enhance delivery of its services to the community. The system reconfiguration compliments the recent addition of updated bus tracking software, which helps riders with trip planning. In 2019 staff expects to recertify all paratransit clients to update their contact information and ensure users are eligible for the service, and expects to update its paratransit client software.

### **Wastewater**

Work for the 2014 EPA consent decree was completed in 2018 and EPA Region 7 agreed to terminate the order due to the City's success. The final project completed under the consent order was the completion of the Basin 13 Sewer Main Rehabilitation. The project included 10.7 miles of sewer main replacement utilizing trenchless methods and over 600 sewer connections were improved with liners to reduce root intrusion and wet weather inflow. Sewer rates remained flat in 2018 in accordance with Council approval in 2011. Capital improvements planning and asset management and renewal planning are a priority for 2019.

### **Streets and Stormwater Operations**

In 2018 the Street and Stormwater Operations Division focused on addressing neighborhood stormwater issues with a new internal crew added to the Division in 2017. Other priorities that began in 2018 and will continue into 2019 will be the implementation of a Street condition assessment throughout the entire City. The assessment will allow the Division to better plan and communicate priorities of street repair and overlay.

### **Parking**

In 2018 the Parking Division completed a study to determine the need for additional parking in the downtown core. The study found a deficit of over 1,900 parking spaces. Phase II of the study, to be completed in 2019, will short list site sites for a new parking garage to address the parking needs. In 2019 the Division will also work to improve surface lot condition.

### **Airport**

In 2018 the Airport Division began the process of developing a new Airport Master Plan. The plan is scheduled to be reviewed and approved by the Federal Aviation Authority in 2019. Once completed the plan identifies short (5yr), medium (10yr) and longer (20yr) term airport needs. The plan also allows the Airport Division to apply for grants for items identified in the plan.

Courtesy of Matt Morasch, Director of Public Works

### **Police Department**

#### **911 Center Hardware Improvements**

The Police Department replaced several critical components in the 911 communications center to increase call center functionality. The department replaced all the audio control modules in the main 911 center to improve the volume levels of both phone calls and radio traffic. The department also replaced a network switch that allowed the department to record both received and transmitted audio of all phones within the police department.

#### **911 Center Functionality**

The Police Department coordinated efforts to have all of the vendors, (Solacom – 911 call handling, Zetron – Radios, CenturyLink – Admin call handling, and BusComm – Audio recording), on site at the same time to enhance the functionality of their systems by working seamlessly together.

#### **Mobile Data Computer Upgrades**

The Police Department completed phase 1 of the Mobile Data Computer replacement. In 2018 the department replaced 15 computers with another 16 computers scheduled to be replaced in 2019.

#### **Mass Notification**

After many years of diligent work the City of Jefferson and the County of Cole have successfully entered into a joint venture to provide the citizens with a Mass Notification & Smart 911 system. Through the Rave Mobility platform, citizens will be able to subscribe to and receive critical notifications when seconds count. They will also be able to provide 911 operators with critical response information through a Smart 911 profile. Rave Mobility also offers add-on applications such as Guardian and Panic Buttons to enhance its functionality for businesses and schools within the community.

#### **Repair of Crematorium**

After over 10 years of providing local families with a way to memorialize their pets through cremation, the crematorium at the Jefferson City Animal Shelter had to undergo some required maintenance. The Department was able to contract through a crematorium repair vendor and provide the needed maintenance.

### **Radio Improvements**

The Police Department intends to improve police and fire radio communications by erecting a new radio communications tower on the central west area of Jefferson City and performing a coverage study to determine if the locations of current towers are still optimal.

### **Upgrade of CAD Software**

The Department is upgrading the Computer Aided Dispatch (CAD) software from the old outdated platform to a new Enterprise version. This will provide an increase in dispatching capabilities giving the communications operators more tools and interfaces to provide higher quality response support.

### **Interview Room Enhancements**

Because of the critical role that interview and interrogations play in prosecuting criminals and bringing justice for the victims, the Police Department is installing a backup recording system in all of the interview rooms for redundancy to mitigate the likelihood of lost or corrupted video files.

### **Text-to-911**

With the increasing use of technology and mobile devices by the public, the Police Department is intending to upgrade the 911 communications center to use next generation functionality. This will include the ability to receive emergency communications from the public in the form of text messages.

### **Bicycle Patrol**

Two officers were selected to attend the International Police Mountain Bike Association train the trainer course to re-invigorate bicycle patrols as a community policing tool. Bicycle patrols allow officers to be closer to the community, and to travel where cars cannot reach. The visibility of a bicycle patrol can reduce crime and is an effective method of engaging with the community. Four police bicycles have been purchased and the selection process for officers to become bicycle patrol certified is underway. Bicycle officers will be tasked with pro-active patrols in high crime areas, high visibility patrols in residential areas, and special events.

### **Police Facility Study**

A facility study for the police headquarters building at 401 Monroe Street has been underway with the assistance of The Architects Alliance. The current facility (built in 1979) has space, structural, and interior décor challenges that will need to be addressed in the upcoming years. The goal of the facility study is to find the most appropriate, efficient, and cost-effective way to address all of the challenges currently faced in a holistic manner.

### **Duty Pistol Replacement**

Our current duty pistols, Glock 17 and 19 Gen 4 9mm pistols, were put into service in 2011. The normal lifespan of a police duty pistol is eight years. The Police Department is in the process of testing and evaluating new Glock 45 Gen 5 9mm duty pistols. Among the new features of the Gen 5 Glock pistol are an ambidextrous slide stop, a smoother trigger, a flared magazine well, the Glock "Marksman" barrel, and a finish that is more durable. The transition to the Gen 5 pistol will not have an impact on related items such as duty holsters or magazine pouches, as the newer weapons fit in existing gear.

### **Training**

Police Department employees attended 6,652 hours of police related training in 2018. During the calendar year 2018, all licensed Missouri police officers were required to attend a minimum of 24 hours of continuing education. Of those 24 hours, a minimum of two hours were required in each of the following categories: Technical (police specific training such as TASER or CPR); Interpersonal ( Anti-Bias training, mental health); Legal (Search and Seizure, statutory update); and Skill (2 hours mandatory firearms training). Additionally, one of the 24 hours must be on the subject of racial profiling.

### **Inventory within Evidence Room**

The evidence room technicians destroyed 1,472 pieces of property in 2018; 453 items were destroyed because the statute of limitations had run out; 904 from court order destructions. As of today there are 45,868 items in property which is an increase from last year by 4,581 pieces of evidence. The department currently has submitted to the Prosecuting Attorney's Office 941 destruction orders and are awaiting their approval.

### **Neighborhood Watch Program**

There are currently 34 watch groups. National Night Out (NNO) had good participation with approximately a dozen NNO parties held. This year's topic was Operation Identification. An initiative was undertaken to remove old signs from inactive areas to give the program more credibility.

### **Purchase of IaPro in 2019**

The Jefferson City Police Department currently collects information and data related to use of force, citizen complaints, citizen commendations, pursuits, employee vehicle crashes, and traffic stops. An essential element of an effective personnel management system (IaPro) is the early identification of employees (both supervisory and non-supervisory) who engage in conduct that may be contrary to the goals and values of the police department. A critical component of such a system is that data related to personnel activity is easily accessible so that trends can be identified before such conduct becomes a problem.

Courtesy of Chief Roger Schroeder, Jefferson City Police Department

### **Fire Department**

The Jefferson City Fire Department responded to 4,837 calls for service in FY2018 that resulted in \$659,015 in fire losses. The largest portion of those losses was in single family residential occupancies at \$382,000. While we achieved 100% of containment to the structure of origin and 67% containment to the room of origin, continuous improvement through training is an area of emphasis for the department. We continue to focus our training program in the following areas; fire suppression, hazardous materials mitigation, water rescue, confined space rescue, and various emergency medical trainings. Overall we documented a record high of 16,425 hours of documented training versus 16,013 hours in FY2017.

The Department completed 2,028 inspections and pre-plans for FY2018. Simultaneously we invested heavily in our public education and fire prevention programs with 182 documented events for the year. In addition, the Fire Department installed over 175 child passenger car safety seats in a joint venture with the Cole County Health Department and the Missouri Department of Transportation. In FY2018 the Jefferson City Fire Department coordinated a multi-jurisdictional effort to address the rising cost of water supplying commercial fire sprinkler systems throughout the State. Finally the Fire Department, along with local community partners, continued a carbon monoxide detector drive to augment our existing smoke alarm program.

Additionally, the Fire Department was successful in the receipt of Assistance to Firefighters Grant (AFG) awarded to fund fitness equipment and enhanced medical physicals in the amount of \$178,345. This grant also allowed for more comprehensive medical evaluations which included baseline heavy metal testing as prescribed in NFPA 1582 for all uniformed members. These comprehensive annual medical evaluations fully support our existing annual PAT (Physical Agility Test); the same test a new recruit must complete to be eligible for hire. This program mirrors industry best practices and real world job requirements. This year again showed continued improvement in the overall departmental average time of 5 minutes 29 seconds in 2018 versus 7 minutes 19 seconds in 2015, the initial year of department wide physical testing.

The City of Jefferson made a significant investment in the Fire Apparatus Fleet in 2017, which resulted in a lengthy specification process to include the replacements of the frontline fleet and allowing for the retention of an updated reserve fleet of four apparatus. All seven of the new frontline fleet were placed in service in late FY2018. There were many associated upgrades in equipment with this fleet purchase including battery operated hydraulic tools (Jaws of Life®), attack nozzles, forcible entry tools, battery operated hand tools and cordless ventilation fans. In summary, the capability of the new fleet was significantly improved in almost every category.

Courtesy of Chief Matthew Schofield, Jefferson City Fire Department

### **Law/Municipal Court**

During FY 2018 the Law Department was busy undertaking special projects for the City Council. The Law Department oversaw the Charter Review Committee, where proposed charter changes were brought to the City Council and approved to be placed on the April 2019 General Municipal Election ballot. The Law Department also continued to oversee the Missouri State Penitentiary Community Partners meetings where the group is working on developing the documents necessary to find a master developer to undertake redevelopment of the former prison site. The City Council approved a settlement acceptance regarding the TracFone lawsuit, settling previous disputed telephone tax amounts and committing one of the largest prepaid mobile phone service providers in the country to payment of the City's telephone tax. Renovation for the new municipal court building was completed in the City's upper level of the annex building. Elections will be held for the municipal judge and municipal prosecuting attorney positions at the April 2019 General Municipal Election. No incumbent is running for their current seat, meaning there will be both a new municipal judge and city prosecutor as of April 2019.

Courtesy of Ryan Moehlman, City Counselor

## **Information Technology Services (ITS)**

### **Hardware and Software Upgrade**

ITS continues to replace computers that are past their 5-year cycle. ITS worked with the Police Department to replace 15 out-of-warranty ToughBooks and will be working to replace another 15 ToughBooks with Windows 10. ITS has replaced the City's Data Protection Manager backup solution with Veeam and a new server with more storage. This backup solution utilizes the newer technology needed for optimal redundancy. ITS is in the implementation process of switching over to a new hosted Voice Over Internet Protocol (VOIP) phone solution. This solution will provide the City with new phone equipment to replace out-of-date equipment. ITS worked with the City's phone service provider to provide two new dedicated internet circuits for the VOIP traffic to travel on. ITS is in the research phase of transitioning to Office 365 to replace the aging Exchange 2010 product. ITS received the new servers and storage for the Computer Aided Dispatch (CAD) Enterprise upgrade and will be working with different vendors to setup the CAD Enterprise server and storage environment. ITS is in the process of installing new Uninterruptible Power Supply (UPS) units for our networking\server equipment in all City buildings. ITS provided technical assistance in the Municipal Court move to the Annex building and will be providing technical resources to the Fire Department and vendors for the new Fire Station 2.

### **Security**

ITS implemented a four-prong approach for cyber security. A Next-Generation firewall scans all incoming and outgoing traffic to help protect the City against malicious activity. A cloud security platform provides the first line of defense against threats on the internet wherever users go and a cloud-based antivirus software was installed on all City computers. ITS utilizes a cloud-based SPAM filtering solution that captures over 1200 Spam email attempts a day. ITS is in the planning process of changing all email addresses to .gov. email address. Once the City's @jeffcitymo.org addresses have been switched over, the SPAM will decrease. ITS is in the planning process of changing the City's file shares. This will provide more security at the file level.

### **Network**

ITS is working with a vendor to replace network switches in most City buildings. These switches provide the City with a more reliable and faster connectivity. ITS is using the same vendor to do a Network Analysis and reconfiguration\documentation of the City's network.

Courtesy of Eric Meyer, ITS Manager

## **Geographic Information Systems (GIS)**

### **Software**

The GIS platform is undergoing an overhaul this year. The IT staff has configured the new host server that will house the GIS data and software necessary for the system to run efficiently. Now that the host machine has been configured, GIS will begin installing the latest software and migrating all current applications from the old system to the new environment and updating the applications to the latest release.

### **Application Development**

#### *Stormwater Site Inspection Application*

GIS worked with Public Works staff to develop a site inspection application to complete construction inspection activities in the field to increase efficiencies, and will continue to support the SWPP Inspection Application.

#### *Utility Coordination Viewer*

GIS worked on an application that will allow local utilities to share information on current and future capital improvement projects within the city limits. This will increase communication and hopefully reduce problems in the future. The Utility Coordination Viewer went live in January of 2019 and we will continue to manage and maintain the site as more utilities adopt the usage of the site.

#### *Pavement Management*

GIS will be working with the Public Works Department to develop a system to manage the data we receive from the pavement assessment project. This will entail developing a Microsoft SQL Geodatabase and a GeoCortex site to access all of the information.

#### *Fire Department*

GIS will be working with Fire Department staff to assist in the upcoming ISO rating. This analysis will consist of classifying each address with its' nearest two(2) fire stations. Once completed this analysis will be streamlined for future updates.



### *Sanitary Sewer Department*

GIS will be working with the Sewer Department's software vendor to link the GIS information to their Closed Circuit Television (CCTV) Inspection software.

Courtesy of Buster Schrage, GIS Manager

## **Parks and Recreation**

### **Park Projects**

- Completed park wide master plan and long range vision to guide park improvements over the next 20 years.
- Finalized design, plans and specifications for Community Park improvements project. Construction is scheduled to be completed late 2019.
- Completed Vivion Field improvements – work included player dugout replacement; backstop expansion and netting replacement; a total field light re-lamp; and replaced scoreboard.
- Completed Vogel Field rehabilitation – work included larger enclosed player dugouts; larger backstop, new perimeter chain-link fencing; new infield mix; added bleacher seating; and new scoreboard.
- Added two new party pads at the Memorial Park Family Aquatic Center.
- Replaced approximately half of the deteriorated asphalt trail with concrete at McKay Park.
- Completed Frog Hollow Greenway Trail phase 3 – the trail is open from the West Edgewood Dr. greenway parking lot to Creek Trail Drive.
- Demolished two properties on E. McCarty Street to expansion greenway trailhead.

### **Park Projects Looking Ahead in 2019:**

- Complete Community Park improvements project.
- Complete design, plans and specifications for improvements at McClung Park and Ellis-Porter Riverside Park and bid projects.
- Finalize riverfront park design and plans on Adrian's Island. Begin initial tree and underbrush clearing per final park design.
- Complete transformation of Washington Park storage shed into indoor hitting and practice area.
- Vivion Field bleacher replacement.
- Jackson Street Trailhead development.
- Complete McKay Park fitness trail replacement.

### **Recreation**

- Hosted over 30 special events including basketball and volleyball tournaments, Lincoln basketball camp, Lincoln University's Annual President's Gala, Lincoln Commencement, and a Bridal Spectacular at The Linc.
- Held fourteen different types of water and land exercise classes. Indoor cycling and personal training programs implemented with over 3,400 participants.
- The Linc had 38,477 visits from public patrons and students.
- Pickleball lines were added to the Dunklin/Lafayette tennis courts.
- Staff attended "People First" customer service training conducted by Pro Food Systems.

### **Recreation Looking Ahead in 2019:**

- Increase staffing & new programs
  - One Program Specialist to supervise concessions, facilities and staff at those locations and assist Program Managers.
  - One Program Manager to run and coordinate outdoor recreation, supervise campground, high and low ropes course, mountain biking, etc.

Courtesy of Todd Spalding, Director of Parks, Recreation & Forestry

### **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 Jefferson for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended October 31, 2017. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial report. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. This is the 22nd year (1996-2017) that Jefferson City has received the award. We believe our current report (this document) continues to conform to the Certificate of Achievement program requirements and we are submitting it to GFOA for review.

This Comprehensive Annual Financial Report was produced through the dedicated efforts of the Finance Department and Evers & Company CPA's LLC, the City's independent auditors. Their continuing efforts to enhance procedures, ensure accuracy, and maintain and improve systems have allowed the completion of the annual audit and this report. Our thanks also to the Mayor, City Council and the City Administrator for their support in our efforts to strengthen and improve the financial operations of the City.

Respectfully submitted,

A handwritten signature in black ink that reads "Margie Mueller, CPA". The signature is written in a cursive style.

Margie Mueller, CPA  
Director of Finance and Information Technology Services



Government Finance Officers Association

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

Presented to

**City of Jefferson  
Missouri**

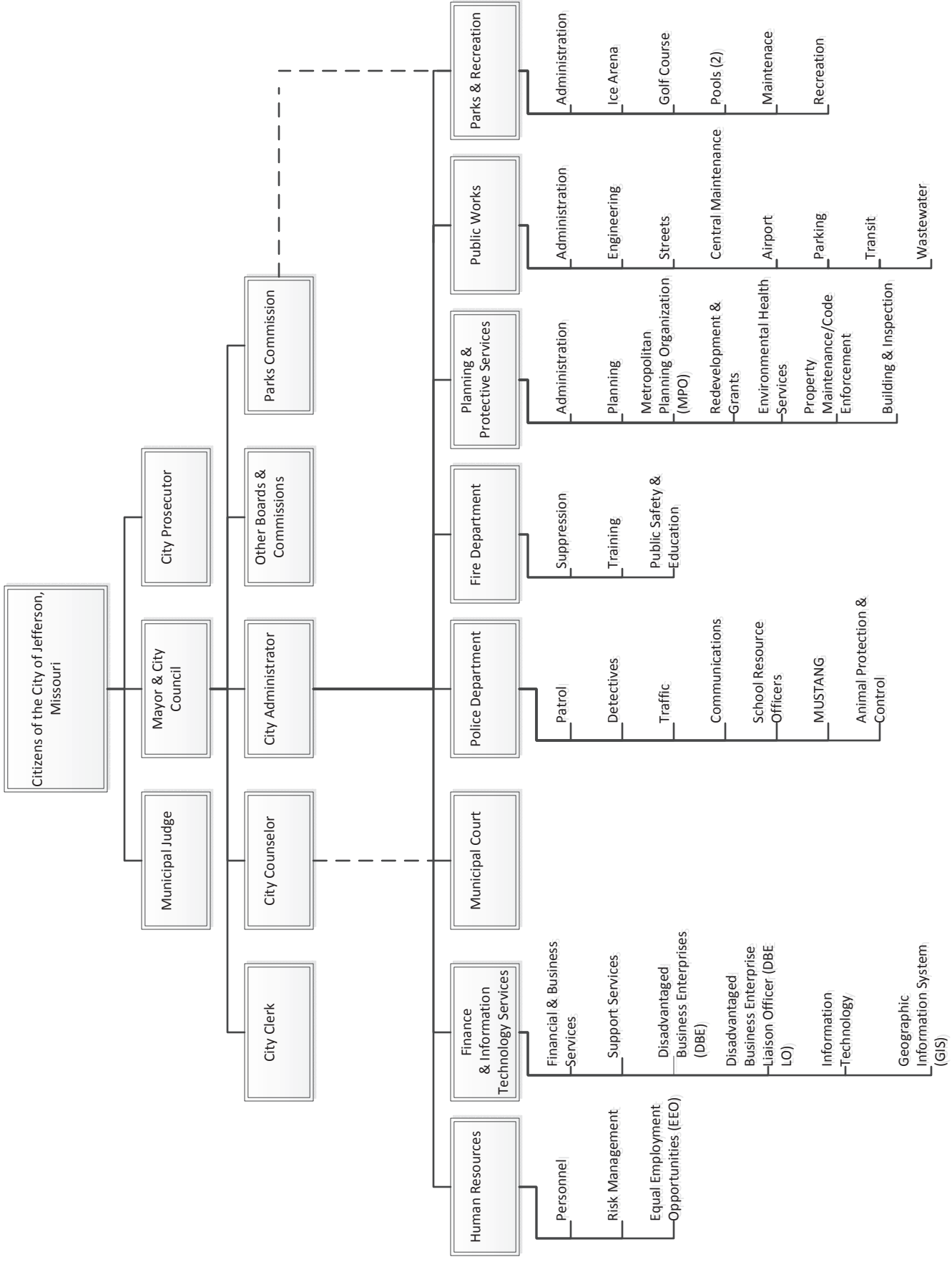
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**October 31, 2017**

*Christopher P. Morill*

Executive Director/CEO

# Citywide Table of Organization City of Jefferson, Missouri



## City of Jefferson, Missouri Elected and Appointed Officials

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MAYOR  
Honorable Carrie Tergin

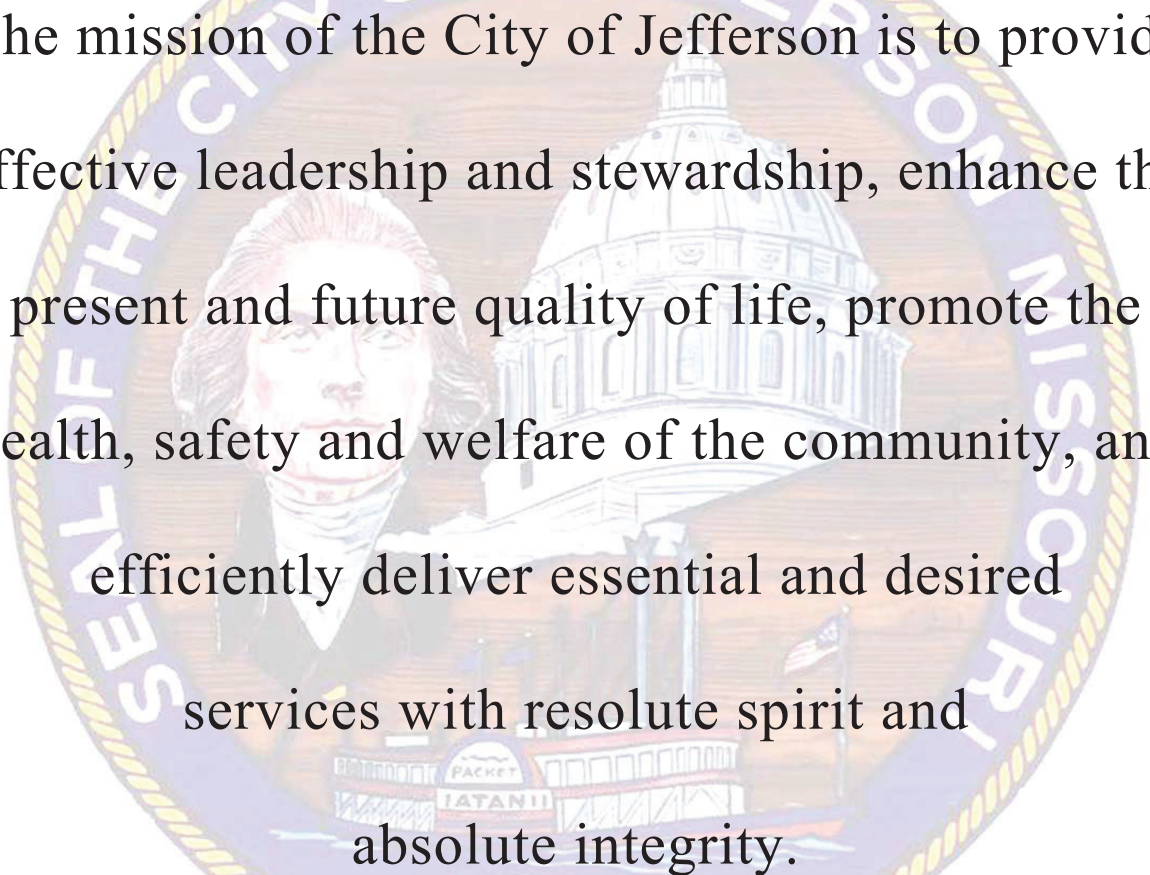
### CITY COUNCIL MEMBERS

David Kemna	<u>First Ward</u>	Rick Prather
J. Rick Mihalevich	<u>Second Ward</u>	Laura A. Ward
Erin Wiseman	<u>Third Ward</u>	Ken Hussey
Carlos Graham	<u>Fourth Ward</u>	Ron Fitzwater
Jon Hensley	<u>Fifth Ward</u>	Mark Schreiber

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CITY ADMINISTRATOR  
Steve Crowell

<u>City Counselor</u> Ryan Moehlman	<u>Finance/Information Technology Systems</u> Margie Mueller	<u>Police Chief</u> Roger Schroeder
<u>City Clerk</u> Emily Donaldson	<u>Human Resources</u> Gail Strobe	<u>Fire Chief</u> Matt Schofield
<u>Public Works</u> Matt Morasch	<u>Planning &amp; Protective Services</u> Sonny Sanders	<u>Parks &amp; Recreation</u> Todd Spalding



The mission of the City of Jefferson is to provide effective leadership and stewardship, enhance the present and future quality of life, promote the health, safety and welfare of the community, and efficiently deliver essential and desired services with resolute spirit and absolute integrity.

# **FINANCIAL SECTION**



# Evers & Company, CPA's, L.L.C.

Certified Public Accountants and Consultants

Richard E. Elliott  
Dale A. Siebeneck  
Jo L. Moore  
Wendy M. Renner  
Eldon H. Becker  
Bruce A. Vanderveld  
Jessica L. Bridges  
Bobbie J. Redmon-Murray

Elmer L. Evers, Emeritus  
Jerome L. Kauffman, Emeritus  
Keith L. Taylor, Emeritus

## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and  
Members of the City Council  
City of Jefferson, 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 Jefferson, Missouri**, as of and for the year ended October 31, 2018, 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.

### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit, the Jefferson City Convention and Visitor's Bureau, which represent 1.8 percent, 2.5 percent, and 0.4 percent, respectively, of the assets, net position, and revenues of the governmental activities of the City of Jefferson, Missouri. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Jefferson City Convention and Visitor's Bureau, is based solely on the report of the other auditors. 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 the *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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 entity's preparation and fair presentation of 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 entity'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, based on our audit and the report of other auditors, 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 of Jefferson, Missouri**, as of October 31, 2018, 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, pension information, postemployment information, and budgetary comparison schedules, 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 of Jefferson, Missouri's basic financial statements. The introductory section, supplemental financial statements and schedules, and statistical section, 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The supplemental financial statements and schedules as listed in the table of contents and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate 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 supplemental financial statements and schedules as listed in the table of contents and the schedule of expenditures of federal awards are 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 April 26, 2019, on our consideration of City of Jefferson, Missouri'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 of Jefferson, Missouri's internal control over financial reporting and compliance.

*Evers & Company, CPA's, LLC*

EVERS & COMPANY, CPA's, L.L.C.  
Jefferson City, Missouri

April 26, 2019

**City of Jefferson, Missouri**  
**Management's Discussion and Analysis**  
**For the Year Ended October 31, 2018**  
**(unaudited)**

As management of the City of Jefferson, we offer readers of the City of Jefferson's financial statements this narrative overview and analysis of the financial activities of the **City of Jefferson** for the fiscal year ended **October 31, 2018**. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the Introductory Section of this report.

**Financial Highlights**

The assets and deferred outflows of the City of Jefferson exceeded its liabilities and deferred inflows of resources as of October 31, 2018 by \$219,624,555 (**net position**). Of this amount, \$4,256,140 (**unrestricted net position**) may be used to meet the government's ongoing obligations to citizens and creditors. The unrestricted net position (deficit) in the **governmental activities** was (\$2,909,220) and \$7,165,360 in the **business-type activities**.

The City of Jefferson's **total net position** increased by \$5,441,357 of which \$4,703,957 was from an **increase in net position** in the **governmental activities** and \$737,400 was from an **increase in net position** in the **business-type activities**. The key factors were a decrease of \$518,415 in Net Investment in Capital Assets in the **governmental activities**; an increase of \$1,066,086 in Restricted for Parks in the **governmental activities**; an increase of \$327,408 in Restricted for Capital Projects in the **governmental activities**; an increase of \$3,819,446 in Unrestricted Net Position in the **governmental activities**; an increase of \$934,703 in Net Investment in Capital Assets in the **business-type activities**; an increase of \$1,234,260 in Revenue Bond Debt Service Requirements in the **business-type activities**; a decrease of \$331,386 in Pensions/OPEB in the **business-type activities**; and a decrease of \$1,314,057 in Unrestricted Net Position in the **business-type activities**.

As of the close of fiscal year 2018, the City of Jefferson's **governmental funds** reported combined ending **fund balances** of \$23,607,676 - an increase of \$1,047,990 in comparison with the prior year. The amount available for disbursement at the government's discretion is \$8,289,017 since that is the government funds combined unassigned fund balance.

At the end of the current fiscal year, the **unassigned fund balance** for the **general fund** was \$8,289,017 or 25.4% of total general fund expenditures, or 24.5% of total general fund expenditures and transfers out.

The City of Jefferson's total **debt** decreased by \$4,880,467. This was primarily due to the retirement of Sewerage System revenue bond principal in the amount of \$3,797,600 and the payment of lease principal for the fire apparatus in the amount of \$1,082,867.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City of Jefferson's basic financial statements. The City of Jefferson's basic financial statements comprise three components: 1) **government-wide financial statements**, 2) **fund financial statements**, and 3) **notes to the financial statements**. This report also contains other supplementary information in addition 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 of Jefferson's finances in a manner similar to a private-sector business.

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

The **statement of activities** presents information showing how the government'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, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, grants receivable and earned but unused vacation and sick leave).

Both of the government-wide financial statements distinguish functions of the City of Jefferson 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 of Jefferson include general government, public safety, community development, and cultural and recreation. The business-type activities of the City of Jefferson include Wastewater, Airport, Parking and Transit.

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The government-wide financial statements include not only the City of Jefferson itself (known as the primary government), but also a legal separate non-profit organization, Jefferson City Convention and Visitors Bureau for which the City of Jefferson is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found in the Basic Financial Statements in the Financial Section of this report. A separate audited financial report of the JCCVB is publicly available by written request from the Jefferson City Convention and Visitors Bureau, Inc., 700 E. Capitol Avenue, Jefferson City, MO 65101.

**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 of Jefferson, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Jefferson can be divided into 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 and nonspendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City of Jefferson maintains nine 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, parks fund and capital improvement tax fund, which are considered to be major funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental fund financial statements can be found in the Basic Financial Statements in the Financial Section of this report.

The City of Jefferson adopts an annual appropriated budget for all of its funds. A budgetary comparison schedule has been provided for all governmental funds to demonstrate compliance with the budget.

**Proprietary funds.** The City of Jefferson maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Jefferson uses enterprise funds to account for its wastewater, airport, parking and transit operations. Information is presented separately in the statement of net position, proprietary funds, and the statement of revenues, expenses, and changes in net position, proprietary funds, for the wastewater and transit funds, which are considered to be the major funds. Data from the other two enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor enterprise funds is provided in the form of combining statements elsewhere in this report.

The other type of proprietary funds are internal service funds for workers compensation self-insurance and self-funded health insurance which are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic proprietary fund financial statements can be found in the Basic Financial Statements in the Financial Section of this report.

**Notes to the financial statements.** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in the Basic Financial Statements in the Financial Section of this report.

**Other information.** The combining statements referred to earlier in connection with nonmajor governmental funds, enterprise funds,

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and internal service funds can be found in the Supplemental Financial Statements and Schedules in the Financial Section of this report.

**Government-wide Financial Analysis**

As noted earlier, **net position** may serve over time as a useful indicator of a government's financial position. In the case of the City of Jefferson, **assets and deferred outflows exceeded liabilities and deferred inflows of resources** by \$219,624,555 which increased \$5,441,357 over the prior year. The **change in net position** in the **governmental activities** was \$4,703,957 and \$737,400 in **business-type activities**. The key factors were a decrease of \$518,415 in Net Investment in Capital Assets in the **governmental activities**; an increase of \$1,066,086 in Restricted for Parks in the **governmental activities**; an increase of \$327,408 in Restricted for Capital Projects in the **governmental activities**; an increase of \$3,819,446 in Unrestricted Net Position in the **governmental activities**; an increase of \$934,703 in Net Investment in Capital Assets in the **business-type activities**; an increase of \$1,234,260 in Revenue Bond Debt Service Requirements in the **business-type activities**; a decrease of \$331,386 in Pensions/OPEB in the **business-type activities**; and a decrease of \$1,314,057 in Unrestricted Net Position in the **business-type activities**. The total net position in the Wastewater Fund (**business-type activity**) increased by \$1,581,804 due in part to an increase in sewer charges for services (\$391,496) to offset future bond requirements.

**Long-term liabilities** decrease of \$12,104,136 was due primarily to a decrease of \$1,082,867 in Long Term Debt in the **governmental activities**; a decrease of \$6,618,625 in Net Pension Liability in the **governmental activities**; a decrease of \$1,187,174 in Payable to Other Governments in the **business-type activities**; an increase of \$231,029 in Net OPEB Liability in the **business-type activities**; and a decrease of \$3,915,650 in Revenue Bonds Payable in the **business-type activities**. **Other liabilities** increase of \$58,522 was due primarily to an increase in accounts payable of \$338,065 in **governmental activities**; an increase in accrued liabilities of \$182,344 in **governmental activities**; a decrease in accounts payable of \$347,365 in **business-type activities**; a decrease of \$110,868 in retainage payable in **business-type activities**; an increase in accrued liabilities of \$22,423 in **business-type activities**.

By far the largest portion of the City of Jefferson's net position (89.16%) reflects its net investment in capital assets (e.g., land, infrastructure, buildings, machinery and equipment). The City of Jefferson uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Jefferson's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Jefferson's net position (8.90%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$4,256,140) may be used to meet the government's ongoing obligations to citizens and creditors.

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**City of Jefferson's Net Position**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 35,463,830	\$ 34,065,517	\$ 25,787,911	\$ 26,606,078	\$ 61,251,741	\$ 60,671,595
Capital assets	135,881,703	134,041,897	112,116,272	114,698,960	247,997,975	248,740,857
Total assets	171,345,533	168,107,414	137,904,183	141,305,038	309,249,716	309,412,452
Deferred Outflows	4,141,731	6,408,105	329,895	965,391	4,471,626	7,373,496
Current liabilities	4,682,190	4,173,863	1,364,512	1,814,317	6,046,702	5,988,180
Long-term liabilities	15,752,570	23,005,660	60,450,244	65,301,290	76,202,814	88,306,950
Total liabilities	20,434,760	27,179,523	61,814,756	67,115,607	82,249,516	94,295,130
Deferred Inflows	10,841,458	7,828,907	1,005,813	478,713	11,847,271	8,307,620
Net position:						
Net investment in capital assets	133,523,482	134,041,897	62,290,002	61,355,299	195,813,484	195,397,196
Restricted	13,596,784	12,193,858	5,958,147	4,841,393	19,554,931	17,035,251
Unrestricted (deficit)	(2,909,220)	(6,728,666)	7,165,360	8,479,417	4,256,140	1,750,751
Total net position	\$ 144,211,046	\$ 139,507,089	\$ 75,413,509	\$ 74,676,109	\$ 219,624,555	\$ 214,183,198

There was an increase of \$2,505,389 in unrestricted net position due primarily to a decrease of \$518,415 in Net Investment in Capital Assets in the **governmental activities**; an increase of \$1,066,086 in Restricted for Parks in the **governmental activities**; an increase of \$327,408 in Restricted for Capital Projects in the **governmental activities**; an increase of \$934,703 in Net Investment in Capital Assets in the **business-type activities**; an increase of \$1,234,260 in Revenue Bond Debt Service Requirements in the **business-type activities**; a decrease of \$331,386 in Pensions/OPEB in the **business-type activities**; and an increase of \$213,880 in Restricted for Capital Projects in the **business-type activities**.

At the end of the current fiscal year, the City of Jefferson is able to report positive balances in all three categories of total net position, for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

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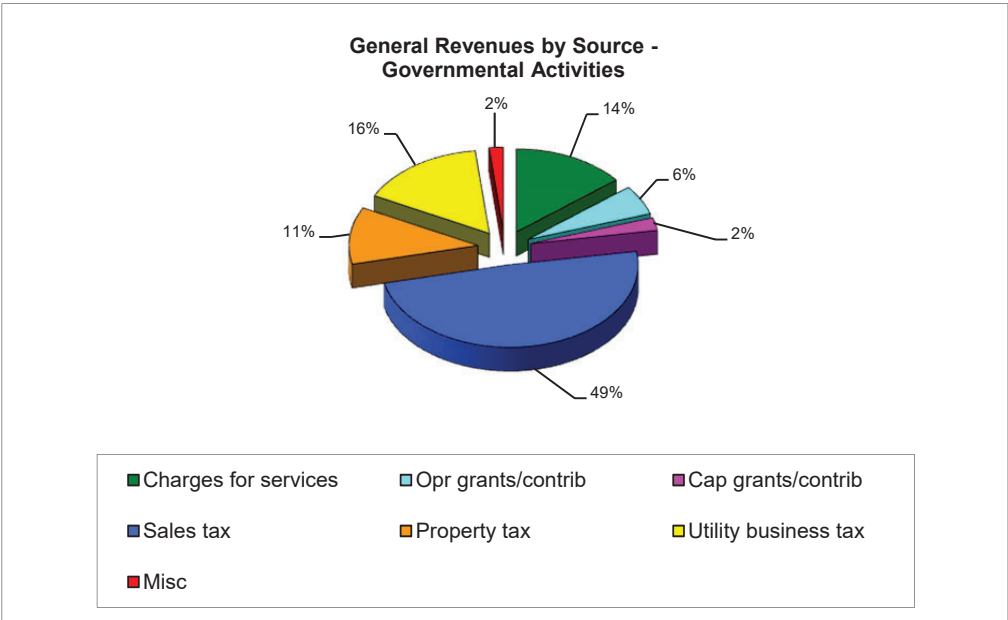
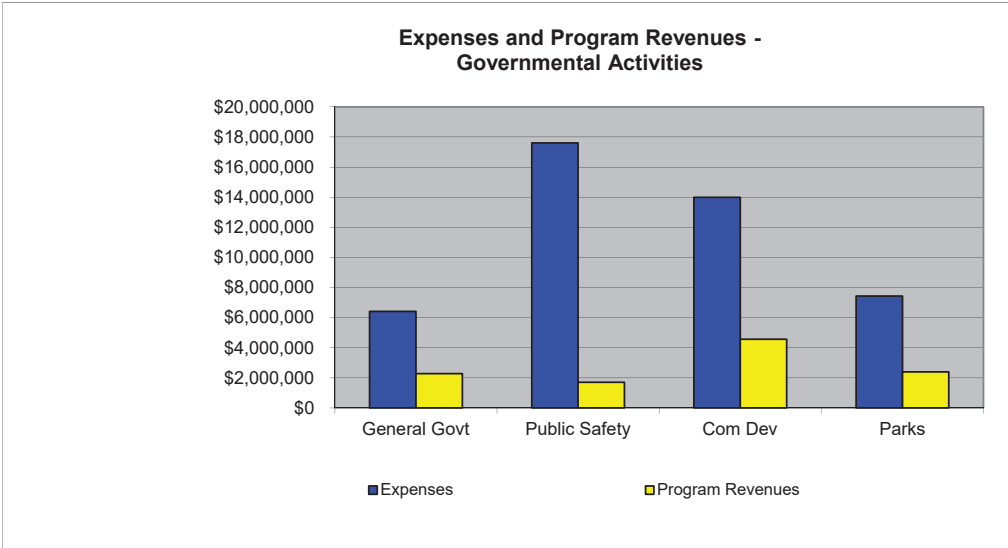
**City of Jefferson's Changes in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program Revenues:						
Charges for services	\$ 6,945,746	\$ 6,724,837	\$ 13,031,874	\$ 12,617,403	\$ 19,977,620	\$ 19,342,240
Operating grants and contributions	2,804,979	2,974,494	1,169,604	1,178,539	3,974,583	4,153,033
Capital grants and contributions	1,195,546	9,580,655	703,394	691,871	1,898,940	10,272,526
General Revenues:						
Sales and other user taxes	23,891,622	23,656,655	-	-	23,891,622	23,656,655
Property taxes	5,420,869	5,362,603	-	-	5,420,869	5,362,603
Franchise and utility license taxes	7,687,404	7,058,070	-	-	7,687,404	7,058,070
Other	856,685	939,825	1,166,090	1,275,648	2,022,775	2,215,473
<b>Total revenues</b>	<b>48,802,851</b>	<b>56,297,139</b>	<b>16,070,962</b>	<b>15,763,461</b>	<b>64,873,813</b>	<b>72,060,600</b>
Expenses:						
General government	6,415,042	10,942,357	-	-	6,415,042	10,942,357
Public safety	17,602,637	30,569,479	-	-	17,602,637	30,569,479
Community development	13,988,575	13,481,422	-	-	13,988,575	13,481,422
Cultural and recreation	7,430,214	2,967,251	-	-	7,430,214	2,967,251
Wastewater	-	-	11,189,218	11,196,930	11,189,218	11,196,930
Airport	-	-	1,566,462	719,872	1,566,462	719,872
Parking	-	-	900,551	957,093	900,551	957,093
Transit	-	-	2,939,414	2,912,755	2,939,414	2,912,755
Interest on long-term debt	117,133	663,853	-	-	117,133	663,853
<b>Total expenses</b>	<b>45,553,601</b>	<b>58,624,362</b>	<b>16,595,645</b>	<b>15,786,650</b>	<b>62,149,246</b>	<b>74,411,012</b>
Increase (decrease) in net position before transfers	3,249,250	(2,327,223)	(524,683)	(23,189)	2,724,567	(2,350,412)
Transfers	(1,503,960)	(1,366,863)	1,503,960	1,366,863	-	-
Increase (decrease) in net position	1,745,290	(3,694,086)	979,277	1,343,674	2,724,567	(2,350,412)
Net position - November 1	139,507,089	143,201,175	74,676,109	73,332,435	214,183,198	216,533,610
Prior Period Adjustments	2,958,667	-	(241,877)	-	2,716,790	-
Net position - November 1, as restated	142,465,756	143,201,175	74,434,232	73,332,435	216,899,988	216,533,610
Net position - October 31	\$ 144,211,046	\$ 139,507,089	\$ 75,413,509	\$ 74,676,109	\$ 219,624,555	\$ 214,183,198

**Governmental activities.** Governmental activities increased the City of Jefferson's net position by \$1,745,290 compared to the decrease of \$3,694,086 last fiscal year. Key elements of the City of Jefferson's governmental activities were a decrease in expenses and transfers of \$12,933,664 and a decrease of revenue of \$7,494,288 from the prior fiscal year. The revenue decrease was primarily due to a decrease of \$8,385,109 in capital grants and contributions in the governmental activities; an increase of \$234,967 in sales and

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other user taxes in the governmental activities; an increase of \$629,334 in franchise and utility license taxes in the governmental activities; and a decrease of \$83,140 in other revenues in the governmental activities.



**Business-type activities:** Business-type activities increased the City of Jefferson’s net position by \$979,277 accounting for 27.12% of the total growth in the government’s net position. Key elements of this increase are as follows:

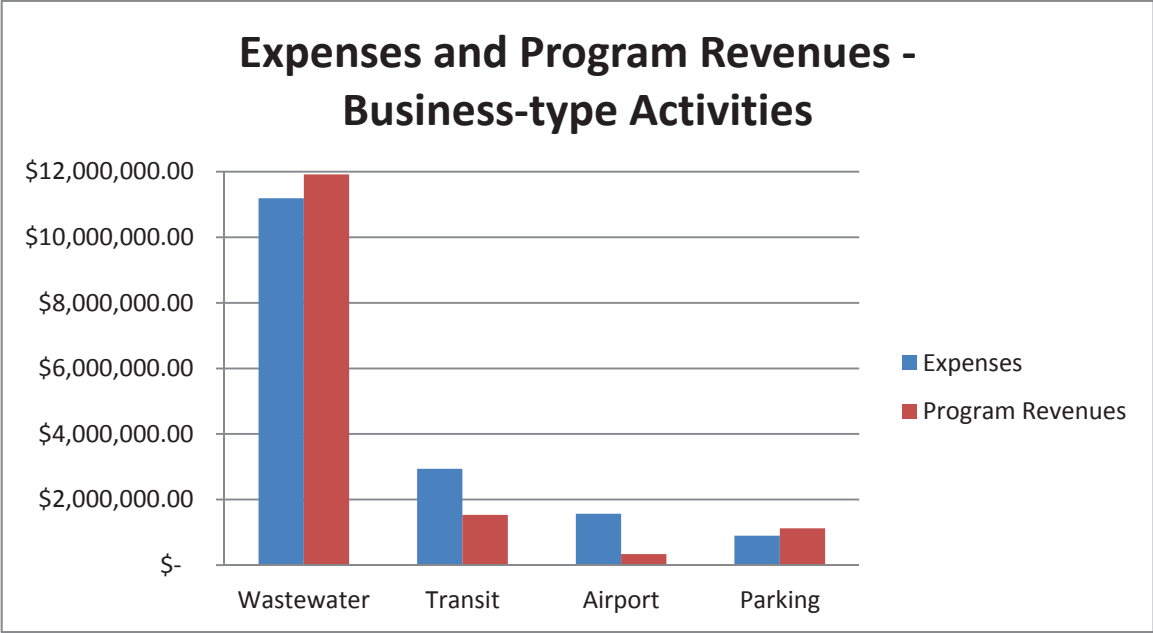
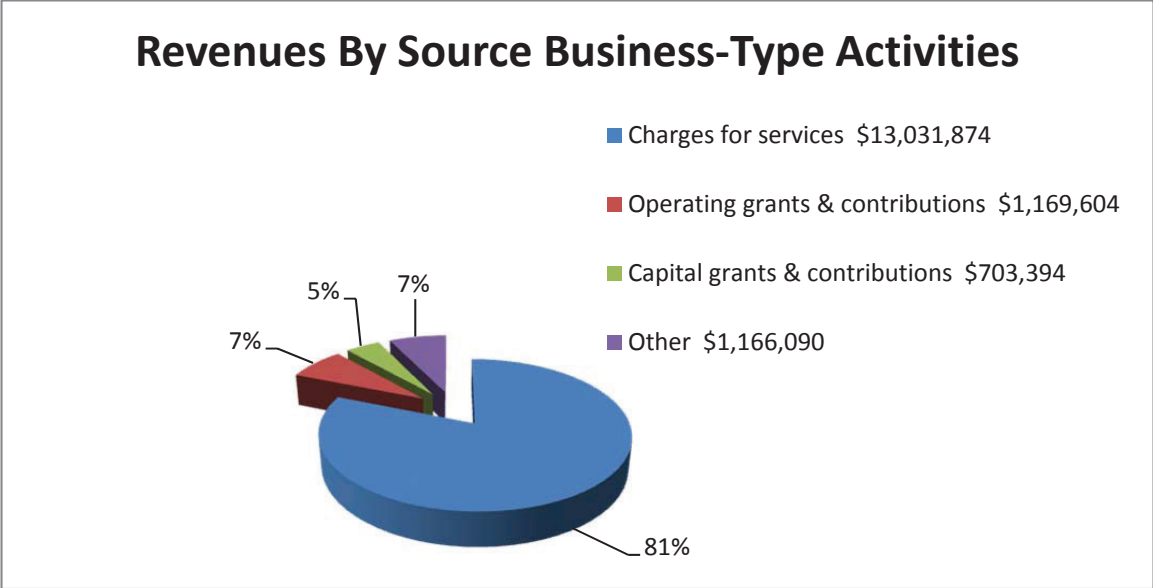
**Charges for services** for business-type activities increased by a total of \$414,471 (3.28%). The **Wastewater** operations activities charges for services increased from the last fiscal year by \$391,496 (3.50%). The **Parking** operations activities charges for services increased by \$40,223 (3.72%). The **Transit** operations activities charges for services decreased by \$4,930 (2.58%). The **Airport fund** charges for services decreased by \$12,318 (7.14%).



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**Operating grants and contributions** decreased by \$8,935 (0.76%).

**Capital grants and contributions** increased by \$11,523 (1.67%) which was due primarily to an increase in **Wastewater’s** capital grants of \$163,216; and a decrease in **Transit’s** capital grants of \$135,655.



**Analysis of the Government’s Funds**

As noted earlier, the City of Jefferson uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City of Jefferson’s **governmental funds** is to provide information on near-term inflows,

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outflows, and balances of spendable resources. Such information is useful in assessing the City of Jefferson's financing requirements. In particular, the 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.

As of the end of the current fiscal year, the City of Jefferson's governmental funds reported combined ending fund balances of \$23,607,676, an increase of \$1,047,990 in comparison with the prior fiscal year. The amount available for spending at the government's discretion was \$8,289,017 since this is the government funds combined unassigned fund balance. The remainder of the fund balance (\$15,318,659) is either nonspendable, restricted, committed, or assigned to indicate that it is not available for new spending because it has already been committed a) to liquidate contracts and purchase orders of prior period relating to capital improvement tax projects and grant related expenditures (\$949,331), b) restricted for other capital commitments (\$13,345,694), c) restricted for specific donations (\$555,720), and d) for nonspendable inventories and prepaids (\$467,914).

The **General Fund is the chief operating fund** of the City of Jefferson. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$8,289,017 while the total fund balance reached \$9,956,138. The unassigned fund balance decreased \$942,486 from the previous fiscal year. This was due primarily to an increase in sales and other user taxes of \$158,612; and an increase in property taxes of \$64,651; an increase in charges for services of \$82,857; an increase in utility/franchise taxes of \$627,167 due primarily to two settlements related to the Gross Receipts Utility Tax; and a decrease in intergovernmental of \$387,148, while transfers out decreased by \$16,736 due primarily to an increase to the Transit Fund of \$16,177; and a decrease to the Airport Fund of \$32,912. Additionally, the most significant factor in the decrease of the unassigned fund balance of the general fund was the fact the City Council made the decision to spend down the portion of the unassigned fund balance that exceeded the minimum required level outlined in the City of Jefferson's Financial Policies. The City Council approve multiple supplemental appropriations throughout the fiscal year for large projects, such as the building of a replacement fire station, the purchase of fleet vehicles, and financing for a Capitol Avenue project.

As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and the total fund balance to total fund expenditures. The unassigned fund balance represents 25.4% of the total general fund expenditures (\$32,610,119), while the total fund balance represents 30.5% of that same amount. In addition, unassigned fund balance represents 24.5% of total general fund expenditures and transfers out (\$33,859,108), while the total fund balance represents 29.4% of that same amount. Transfers include subsidies to Airport (\$225,547) and Transit (\$1,023,442).

The City of Jefferson's two other major governmental funds are the Parks Fund and the Capital Improvement Tax Fund. As of the fiscal year-end the fund balance analysis is as follows:

	Parks Fund		Capital Improvement Tax Fund	
	2018	2017	2018	2017
Net changes in fund balances	\$ 1,066,086	\$ (2,100,062)	\$ 327,408	\$ 1,767,516
Restricted fund balance	5,719,653	4,653,567	7,626,041	7,298,633
Total fund balance	5,719,653	4,653,567	7,626,041	7,298,633
Fund expenditures	7,276,643	10,146,946	5,094,916	10,158,265
Restricted fund balance percentage of expenditures	78.6%	45.9%	149.7%	71.8%
Total fund balance percentage of expenditures	78.6%	45.9%	149.7%	71.8%

The **Parks & Recreation Fund** accounts for Parks Administration, Ice Arena, Oak Hills Golf Course, Memorial Pool, Ellis Porter Pool, Parks Maintenance and Parks & Recreation activities. Parks revenue increased \$208,245 from the previous fiscal year's revenue

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and expenditures decreased \$2,870,303. The key factors in the increase in revenue were an increase in sales and other user taxes of \$61,605; an increase in intergovernmental of \$53,170; an increase in charges for services of \$152,607; a decrease in investment earnings of \$20,183; and a decrease in miscellaneous revenues of \$38,929 from the prior fiscal year. The Parks fund balance increased by \$1,066,086.

The **Capital Improvement Tax Fund** accounts for sales tax funded capital improvement projects. The Capital Improvement Tax Fund revenue, including transfers, decreased from the previous fiscal year by \$1,312,083 and expenditures including transfers decreased by \$4,909,516 over the previous fiscal year. The major decrease in revenue was primarily due to an increase in sales and other user taxes of \$45,211; and a decrease in intergovernmental of \$1,365,825 from the previous fiscal year. Capital improvement projects that were reappropriated in fiscal year 2018 from 2017 amounted to \$6,447,767 (from uncompleted projects.) The Capital Improvement Tax fund balance increased by \$327,408.

**Proprietary funds.** The City of Jefferson's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. *Unrestricted net position* of the enterprise funds at the end of the year amounted to \$7,241,501 (excluding the \$76,141 adjustment to reflect the consolidation of the Internal Service Fund related to the enterprise funds in the government-wide financial statements) as follows:

Unrestricted Net position:

	2018	2017
Airport	\$ 110,144	\$ 136,109
Parking	\$ 4,554,612	\$ 4,202,321
Transit	\$ 189,861	\$ 358,127
Wastewater	\$ 2,386,884	\$ 3,887,829

The total growth in net position was \$708,572, compared to last fiscal year's growth of \$1,289,842 as follows:

Total Growth in Net Position:

	2018	2017
Airport	\$ (974,690)	\$ (126,979)
Parking	\$ 302,676	\$ 226,214
Transit	\$ (201,218)	\$ (373,161)
Wastewater	\$ 1,581,804	\$ 1,563,768

Other factors concerning the finances of these enterprise funds have already been addressed in the discussion of the City of Jefferson's business-type activities.

**General Fund Budgetary Highlights**

**Original budget compared to final budget.** During the year original budgeted revenues, and in turn original budgeted expenditures, were increased by \$806,094 for grant awards and \$122,829 for Gross Receipt Utilities Tax settlements that were received during the fiscal year.

There was also a need to make amendments to reallocate appropriations among departments. Generally, the movement of the

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appropriations between departments was *not* significant.

**Final budget compared to actual results.** The most significant differences between estimated revenues/expenditures and actual revenues/expenditures were as follow:

			Variance
Revenues	Utility/Franchise taxes	\$	134,575
	Licenses, permits and fees		110,795
	Intergovernmental		(1,243,511)
	Fines and forfeitures		(113,569)
Expenditures	Entitlement Grant	\$	358,716
	Fire		348,281
	Police		365,566
	Capital Projects		2,510,383

**Capital Asset and Debt Administration**

**Capital Assets.** The City of Jefferson's investment in capital assets for its governmental and business type activities as of October 31, 2018, amounts to \$247,997,974 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, infrastructure (such as streets, sidewalks, street lighting and drainage systems,) machinery and equipment, parks facilities, airport facilities, parking facilities, transit facilities and wastewater plant and systems.

Major capital asset events during the current fiscal year included the following:

- Completion of the Capital Avenue infrastructure improvements in the amount of \$1,432,778.
- Completion of the Basin 13B Sewer/Stormwater Rehabilitation in the amount of \$2,684,096.
- Completion of the Basom 12 Relief Sewer in the amount of \$3,231,704.
- Completion of the Hayselton Pump Station in the amount of \$1,851,646.

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**City of Jefferson's Capital Assets**  
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 15,101,257	\$ 15,101,257	\$ 5,211,214	\$ 5,211,214	\$ 20,312,471	\$ 20,312,471
Easements	365,063	350,063	67,374	67,374	432,437	417,437
Buildings	17,812,237	18,429,578	58,091,204	58,002,159	75,903,441	76,431,737
Improvements other than buildings	5,075,000	4,916,702	8,313,805	9,157,176	13,388,805	14,073,878
Machinery and equipment	5,140,577	5,422,559	1,906,937	2,078,113	7,047,514	7,500,672
Infrastructure	85,492,659	86,955,980	37,384,751	32,588,349	122,877,410	119,544,329
Construction in progress	6,894,909	2,865,758	1,140,987	7,594,575	8,035,896	10,460,333
<b>Total</b>	<b>\$ 135,881,702</b>	<b>\$ 134,041,897</b>	<b>\$ 112,116,272</b>	<b>\$ 114,698,960</b>	<b>\$ 247,997,974</b>	<b>\$ 248,740,857</b>

Additional information on the City of Jefferson's capital assets can be found in Note 6 Capital Assets in the Notes to the Financial Statements in the Financial Section of this report.

**Long-term debt.** At the end of the fiscal year 2018, the City of Jefferson had total debt outstanding of \$58,516,896.

**City of Jefferson's Outstanding Debt**

	2018			2017		
	Governmental activities	Business-type activities	Total	Governmental activities	Business-type activities	Total
Revenue Bonds	\$ -	\$ 53,771,600	\$ 53,771,600	\$ -	\$ 57,569,200	\$ 57,569,200
Deferred Amounts	-	944,724	944,724	-	1,062,774	1,062,774
Fire Apparatus Lease	3,800,572	-	3,800,572	4,883,440	-	4,883,440
<b>Total</b>	<b>\$ 3,800,572</b>	<b>\$ 54,716,324</b>	<b>\$ 58,516,896</b>	<b>\$ 4,883,440</b>	<b>\$ 58,631,974</b>	<b>\$ 63,515,414</b>

\$54,716,324 was associated with Wastewater Sewerage System Revenue Bonds. During the 2018 fiscal year, no new Wastewater Sewerage System bonds were issued and the City retired \$3,797,600 in Wastewater Sewerage System Revenue Bond principal payments.

\$3,800,572 was associated with the lease for fire apparatus. This lease was entered into during the 2017 fiscal year with total principal in the amount of \$5,037,541 and the City of Jefferson made \$1,082,868 in principal payments during the 2018 fiscal year.

The City of Jefferson's total debt decreased during fiscal year 2018 by \$4,998,518 due to the key factors stated above. Additional information on the City of Jefferson's long-term debt can be found in Note 7 Long-Term Debt in the Notes to the Financial Statements

**City of Jefferson, Missouri**  
**Management's Discussion and Analysis**  
**For the Year Ended October 31, 2018**  
**(unaudited)**

in the Financial Section of this report.

**Economic Factors and Next Year's Budgets**

The following economic factors currently affect The City of Jefferson and were considered when developing the 2018-2019 fiscal year budget.

- The City consistently ranks as one of the lower unemployment areas in the state. The local unemployment rate at fiscal year-end October 31, 2018 was 1.9% compared to 1.9% October 31, 2017. This compares favorably to the state's average unemployment rate of 2.3% and the national average of 3.5%.
- Minimal, if any, expected increases in property tax. Also no new revenue sources were identified.
- Sales tax revenue was budgeted with a 2.00% increase over the FY2018 adopted budget.
- Potential decrease in grant revenue due to budgetary cuts at the Federal and State level.

**Requests for Information**

This financial report is designed to provide a general overview of the City of Jefferson's finances for all those with an interest in the government's finances. Questions concerning any of the information should be addressed to the Office of the Finance Director, City of Jefferson, 320 E. McCarty Street, Jefferson City, MO 65101.

# **BASIC FINANCIAL STATEMENTS**

**CITY OF JEFFERSON, MISSOURI**  
**Statement of Net Position**  
**October 31, 2018**

A-1

	<b>Primary Government</b>			<b>12/31/2017</b>
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Component Unit JC Convention &amp; Visitors Bureau</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 23,934,989	\$ 10,694,226	\$ 34,629,215	\$ 5,338,698
Receivables, net of uncollectibles:				
Taxes and franchise fees	9,947,233	-	9,947,233	-
Accounts	179,862	1,156,944	1,336,806	-
Intergovernmental receivable	627,435	265,285	892,720	-
Due from primary government	-	-	-	146,078
Internal Balances	76,141	(76,141)	-	-
Prepays	301,450	64,410	365,860	3,500
Inventories	196,720	-	196,720	24,024
Restricted assets:				
Cash and cash equivalents	200,000	5,826,823	6,026,823	-
Accrued interest	-	214,320	214,320	-
Investments - revenue bond reserve fund	-	5,599,081	5,599,081	-
Net pension assets	-	2,042,963	2,042,963	-
Capital assets:				
Land and construction in progress	22,361,229	6,419,575	28,780,804	-
Other capital assets, net of depreciation	113,520,474	105,696,697	219,217,171	97,693
<b>Total assets</b>	<b>171,345,533</b>	<b>137,904,183</b>	<b>309,249,716</b>	<b>5,609,993</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pensions	4,141,731	319,087	4,460,818	-
Deferred outflows related to advanced refunding	-	10,808	10,808	-
<b>Total deferred outflows of resources</b>	<b>4,141,731</b>	<b>329,895</b>	<b>4,471,626</b>	<b>-</b>
<b>LIABILITIES AND NET POSITION</b>				
Accounts payable	3,287,331	205,972	3,493,303	1,245
Retainage payable	115,858	1,726	117,584	-
Accrued liabilities	1,029,896	141,996	1,171,892	1,454
Deposits	20,711	1,060	21,771	-
Unearned revenue	-	49,403	49,403	998
Liabilities payable from restricted assets:				
Accounts payable	-	14,121	14,121	-
Retainage payable	-	27,392	27,392	-
Accrued interest payable	-	582,893	582,893	-
Deposits	-	339,949	339,949	-
Due to component unit	228,394	-	228,394	-
Noncurrent Liabilities:				
Payable from restricted assets:				
Due within one year	-	2,469,400	2,469,400	-
Due in more than one year	-	3,836,000	3,836,000	-
Due within one year	652,410	2,706,190	3,358,600	-
Due in more than one year	15,100,160	51,438,654	66,538,814	-
<b>Total liabilities</b>	<b>20,434,760</b>	<b>61,814,756</b>	<b>82,249,516</b>	<b>3,697</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pensions	5,424,369	995,272	6,419,641	-
Deferred inflows related to OPEB	52,563	10,541	63,104	-
Deferred revenue - property taxes	5,364,526	-	5,364,526	-
<b>Total deferred inflows of resources</b>	<b>10,841,458</b>	<b>1,005,813</b>	<b>11,847,271</b>	<b>-</b>
<b>NET POSITION</b>				
Net investment in capital assets	133,523,482	62,290,002	195,813,484	97,693
Restricted for:				
Parks	5,719,653	-	5,719,653	-
Revenue Bond Debt Service requirements	-	2,076,982	2,076,982	-
Bond renewal and replacement requirements	-	500,000	500,000	-
Pensions/OPEB	-	1,056,722	1,056,722	-
Capital Projects	7,626,041	2,324,443	9,950,484	4,370,515
Public Safety	248,209	-	248,209	-
Community Development	2,881	-	2,881	-
Unrestricted (deficit)	(2,909,220)	7,165,360	4,256,140	1,138,088
<b>Total Net Position</b>	<b>\$ 144,211,046</b>	<b>\$ 75,413,509</b>	<b>\$ 219,624,555</b>	<b>\$ 5,606,296</b>

The notes to the financial statements are an integral part of this statement.



**CITY OF JEFFERSON, MISSOURI**  
**Statement of Activities**  
**For the Year Ended October 31, 2018**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit JC Convention & Visitors Bureau
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities	Total	
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 6,415,042	\$ 1,546	\$ 321	\$ (4,133,588)	\$ -	\$ (4,133,588)	\$ -
Public safety	17,602,637	352,487	98,588	(15,897,404)	-	(15,897,404)	-
Community development	13,988,575	2,450,946	1,096,637	(9,420,791)	-	(9,420,791)	-
Cultural and recreation	7,430,214	-	-	(5,038,414)	-	(5,038,414)	-
Interest on long-term debt	117,133	-	-	(117,133)	-	(117,133)	-
Total governmental activities	45,553,601	2,804,979	1,195,546	(34,607,330)	-	(34,607,330)	-
Business-type activities:							
Wastewater	11,189,218	-	349,851	-	723,495	723,495	-
Airport	1,566,462	48,064	128,779	-	(1,229,433)	(1,229,433)	-
Parking	900,551	-	-	-	221,488	221,488	-
Transit	2,939,414	1,121,540	224,764	-	(1,406,323)	(1,406,323)	-
Total business-type activities	16,595,645	1,169,604	703,394	-	(1,690,773)	(1,690,773)	-
Total primary government	\$ 62,149,246	\$ 3,974,583	\$ 1,898,940	\$ (34,607,330)	\$ (1,690,773)	\$ (36,298,103)	\$ -
<b>Component unit (12/31/17):</b>							
JC Convention & Visitors Bureau	\$ 1,125,553	\$ 1,261,952					881,860
<b>General revenues:</b>							
Taxes							
Sales and other user taxes				23,891,622	-	23,891,622	-
Property taxes				5,420,869	-	5,420,869	-
Franchise and utility license taxes				7,687,404	-	7,687,404	-
Investment earnings				406,718	1,057,561	1,464,279	60,813
Miscellaneous				244,424	83,807	328,231	42,975
Gain on sale of capital assets				205,543	24,722	230,265	-
Transfers				(1,503,960)	1,503,960	-	-
Total general revenues and transfers				36,352,620	2,670,050	39,022,670	103,788
Change in net position				1,745,290	979,277	2,724,567	985,648
Net position--beginning				139,507,089	74,676,109	214,183,198	4,620,648
Prior period adjustment				2,958,667	(241,877)	2,716,790	-
Net position--beginning, as restated				142,465,756	74,434,232	216,899,988	4,620,648
Net position--ending				\$ 144,211,046	\$ 75,413,509	\$ 219,624,555	\$ 5,606,296

The notes to the financial statements are an integral part of this statement.

CITY OF JEFFERSON, MISSOURI  
Balance Sheet  
Governmental Funds  
October 31, 2018

C-1

	General	Parks	Capital Improvement Tax	Total Nonmajor Governmental Funds (See H-1)	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 8,438,854	\$ 5,028,643	\$ 8,720,098	\$ 406,710	\$ 22,594,305
Receivables (net of allowance for uncollectibles):					
Taxes and franchise fees	8,047,526	884,717	884,740	130,250	9,947,233
Accounts	67,548	1,093	-	-	68,641
Receivables from other governments	613,354	14,081	-	-	627,435
Prepays	271,194	30,256	-	-	301,450
Inventories	195,506	-	-	1,214	196,720
Total assets	\$ 17,633,982	\$ 5,958,790	\$ 9,604,838	\$ 538,174	\$ 33,735,784
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 723,103	\$ 123,304	\$ 1,910,985	\$ 232,330	\$ 2,989,722
Retainage payable	48,046	-	67,812	-	115,858
Accrued liabilities	919,091	110,805	-	-	1,029,896
Deposits Payable	15,696	5,015	-	-	20,711
Unearned revenue	147,284	-	-	-	147,284
Total liabilities	1,853,220	239,124	1,978,797	232,330	4,303,471
Deferred Inflows of Resources:					
Unavailable revenue - property taxes	5,398,729	13	-	-	5,398,742
Unavailable revenue - surtax	425,895	-	-	-	425,895
Total deferred inflows of resources	5,824,624	13	-	-	5,824,637
<b>FUND BALANCES</b>					
Nonspendable:					
Inventories	195,506	-	-	1,214	196,720
Prepays	271,194	-	-	-	271,194
Restricted:					
Parks	-	5,719,653	-	-	5,719,653
Capital Projects	-	-	7,626,041	-	7,626,041
Police - drug forfeiture	116,266	-	-	-	116,266
Police - evidence funds	57,743	-	-	-	57,743
Police - animal shelter	69,597	-	-	-	69,597
Police - community projects	4,603	-	-	-	4,603
Police training	-	-	-	58,059	58,059
Lodging Tax	-	-	-	42,852	42,852
JC Veterans Plaza	-	-	-	131,158	131,158
City Hall Art	-	-	-	19,570	19,570
USS Jefferson City Submarine	-	-	-	13,568	13,568
Woodland Cemetery	-	-	-	39,423	39,423
Sidewalk waiver	2,560	-	-	-	2,560
Cemetery Restoration	321	-	-	-	321
Committed:					
Fire Station #2	657,426	-	-	-	657,426
Downtown Electric Project	1,300	-	-	-	1,300
City Hall HVAC	16,893	-	-	-	16,893
Police Vehicle Purchases	266,544	-	-	-	266,544
Code Enforcement Software	7,168	-	-	-	7,168
Unassigned:	8,289,017	-	-	-	8,289,017
Total fund balances	9,956,138	5,719,653	7,626,041	305,844	23,607,676
Total liabilities, deferred inflows of resources, and fund balances	\$ 17,633,982	\$ 5,958,790	\$ 9,604,838	\$ 538,174	\$ 33,735,784

The notes to the financial statements are an integral part of this statement.

**CITY OF JEFFERSON, MISSOURI**  
**Reconciliation of the Balance Sheet**  
**of Governmental Funds**  
**to the Statement of Net Position**  
**October 31, 2018**

Total fund balance - total governmental funds (from C-1)	\$	23,607,676
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		135,881,703
Certain assets are not reported in this fund financial statement because they are not available to pay current-period expenditures and are unavailable revenue in the funds.		607,395
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Compensated absences		(2,568,054)
Long term debt		(3,800,573)
The net pension liabilities reported in governmental activities is not a financial resource and therefore are not reported in the funds.		(7,676,308)
The net OPEB liabilities reported in governmental activities is not a financial resource and therefore are not reported in the funds.		(1,493,557)
Certain deferred outflows and inflows of resources represent a consumption or acquisition of net position in a future period and therefore are not reported in the funds.		
Pension related outflows - LAGERS		4,141,731
Pension related inflows - LAGERS		(5,424,369)
OPEB related inflows		(52,563)
Internal service funds are used by management to charge the costs of workers compensation and self-funded health insurance. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position (\$911,824 plus \$76,141 allocation to business-type)		987,965
Net position of governmental activities	\$	144,211,046

The notes to the financial statements are an integral part of this statement.

**CITY OF JEFFERSON, MISSOURI**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended October 31, 2018**

	General	Parks	Capital Improvement Tax	Total Nonmajor Governmental Funds (See H-2)	Total Governmental Funds
<b>REVENUES</b>					
Sales and other user taxes	\$ 11,577,513	\$ 5,554,002	\$ 5,545,522	\$ 1,214,585	\$ 23,891,622
Property taxes	5,484,475	-	-	-	5,484,475
Utility/Franchise taxes	7,687,404	-	-	-	7,687,404
Licenses, permits and fees	911,495	-	-	-	911,495
Intergovernmental	3,475,862	75,681	5,400	5,215	3,562,158
Charges for services	2,850,120	2,391,800	-	-	5,241,920
Fines and forfeitures	780,531	-	-	11,800	792,331
Investment earnings	166,740	84,362	126,373	6,699	384,174
Contributions	333,487	-	-	1,609	335,096
Miscellaneous	110,995	133,429	-	-	244,424
Total revenues	<u>33,378,622</u>	<u>8,239,274</u>	<u>5,677,295</u>	<u>1,239,908</u>	<u>48,535,099</u>
<b>EXPENDITURES</b>					
Current:					
General government	4,710,495	3,185	3,185	1,206,573	5,923,438
Public safety	17,919,756	-	-	441	17,920,197
Community development	7,969,032	-	-	-	7,969,032
Cultural and recreation	-	6,556,633	-	-	6,556,633
Capital outlay	2,010,836	716,825	3,891,731	-	6,619,392
Debt service:					
Principal, notes and leases	-	-	1,082,867	-	1,082,867
Interest	-	-	117,133	-	117,133
Total expenditures	<u>32,610,119</u>	<u>7,276,643</u>	<u>5,094,916</u>	<u>1,207,014</u>	<u>46,188,692</u>
Excess (deficiency) of revenues over expenditures	768,503	962,631	582,379	32,894	2,346,407
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of assets	102,088	103,455	-	-	205,543
Transfers in	24,102	-	-	-	24,102
Transfers out	(1,248,989)	-	(254,971)	(24,102)	(1,528,062)
Total other financing sources and uses	<u>(1,122,799)</u>	<u>103,455</u>	<u>(254,971)</u>	<u>(24,102)</u>	<u>(1,298,417)</u>
Net change in fund balances	(354,296)	1,066,086	327,408	8,792	1,047,990
Fund balances-beginning	10,310,434	4,653,567	7,298,633	297,052	22,559,686
Fund balances-ending	<u>\$ 9,956,138</u>	<u>\$ 5,719,653</u>	<u>\$ 7,626,041</u>	<u>\$ 305,844</u>	<u>\$ 23,607,676</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF JEFFERSON, 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 October 31, 2018**

Net change in fund balances - total governmental funds (from C-3)	\$	1,047,990
Amounts reported for governmental activities in the statement of activities (B-1) are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		(2,008,560)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(329,846)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations) is to increase net position.		298,270
The issuance of long-term debt (e.g., leases) 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. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Lease payments		1,082,867
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated absences		(13,294)
Pension related amounts, pension expense - LAGERS		1,394,484
OPEB related amounts, OPEB expense		5,695
An Internal Service Fund is used by management to charge the costs of workers compensation and self-funded health insurance. The net revenue (expense) (\$296,512) of the internal service funds is reported with governmental activities in the amount of \$267,684 with the balance \$28,828 allocated to the business activities.		267,684
Change in net position of governmental activities	\$	1,745,290

The notes to the financial statements are an integral part of this statement.

**CITY OF JEFFERSON, MISSOURI**  
**Statement of Net Position**  
**Proprietary Funds**  
**October 31, 2018**

D-1

	Business-type Activities				Governmental
	Wastewater	Transit	Nonmajor Enterprise Funds (See H-3)	Total Enterprise Funds	Internal Service Funds (See H-6)
<b>ASSETS:</b>					
Current assets:					
Cash and cash equivalents	\$ 5,763,682	\$ 249,725	\$ 4,680,819	\$ 10,694,226	\$ 1,340,685
Receivables (net of allowance for uncollectibles):					
Accounts	1,090,829	10,030	56,085	1,156,944	111,221
Receivables from other governments	72,228	78,702	114,355	265,285	-
Prepaid items	36,785	21,158	6,467	64,410	-
Current restricted assets:					
Cash and cash equivalents	5,326,823	-	-	5,326,823	-
Accrued Interest	214,320	-	-	214,320	-
Total current assets	<u>12,504,667</u>	<u>359,615</u>	<u>4,857,726</u>	<u>17,722,008</u>	<u>1,451,906</u>
Noncurrent assets:					
Restricted assets:					
Cash and cash equivalents	500,000	-	-	500,000	200,000
Investments - revenue bond reserve fund	5,599,081	-	-	5,599,081	-
Net pension asset	1,093,959	614,978	334,026	2,042,963	-
Capital assets:					
Land	942,043	149,511	4,187,034	5,278,588	-
Distribution and collection systems	68,426,006	-	-	68,426,006	-
Improvements other than buildings	-	202,096	14,348,218	14,550,314	-
Buildings and equipment	78,687,360	5,913,114	6,706,911	91,307,385	-
Construction in progress	981,864	159,123	-	1,140,987	-
Less accumulated depreciation	<u>(50,694,416)</u>	<u>(5,397,695)</u>	<u>(12,494,897)</u>	<u>(68,587,008)</u>	<u>-</u>
Total noncurrent assets	<u>105,535,897</u>	<u>1,641,127</u>	<u>13,081,292</u>	<u>120,258,316</u>	<u>200,000</u>
Total assets	<u>118,040,564</u>	<u>2,000,742</u>	<u>17,939,018</u>	<u>137,980,324</u>	<u>1,651,906</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>					
Deferred outflows related to pensions	195,484	86,005	37,598	319,087	-
Deferred outflows related to an advance refunding	10,808	-	-	10,808	-
Total deferred outflows of resources	<u>206,292</u>	<u>86,005</u>	<u>37,598</u>	<u>329,895</u>	<u>-</u>
<b>LIABILITIES:</b>					
Current liabilities:					
Accounts payable	137,152	38,504	30,316	205,972	526,003
Retainage payable	-	-	1,726	1,726	-
Accrued liabilities	75,582	47,113	19,301	141,996	-
Deposits	-	-	1,060	1,060	-
Compensated absences	23,814	7,572	8,204	39,590	-
Claims and judgments	-	-	-	-	214,079
Unearned revenue	-	-	49,403	49,403	-
Revenue bonds payable-current	2,666,600	-	-	2,666,600	-
Current liabilities payable from restricted assets:					
Accounts payable	14,121	-	-	14,121	-
Retainage payable	27,392	-	-	27,392	-
Accrued interest payable	582,893	-	-	582,893	-
Deposits	339,949	-	-	339,949	-
Payable to other governments-due within one year	1,158,500	-	-	1,158,500	-
Revenue bonds payable-current	1,310,900	-	-	1,310,900	-
Total current liabilities	<u>6,336,903</u>	<u>93,189</u>	<u>110,010</u>	<u>6,540,102</u>	<u>740,082</u>
Noncurrent liabilities:					
Payable from restricted assets:					
Payable to other governments-due in more than one year	3,836,000	-	-	3,836,000	-
Compensated absences	240,791	76,565	82,958	400,314	-
Total OPEB liability	152,773	104,529	42,214	299,516	-
Revenue bonds payable (net of unamortized discounts, premiums and deferred amount of refunding)	<u>50,738,824</u>	<u>-</u>	<u>-</u>	<u>50,738,824</u>	<u>-</u>
Total noncurrent liabilities	<u>54,968,388</u>	<u>181,094</u>	<u>125,172</u>	<u>55,274,654</u>	<u>-</u>
Total liabilities	<u>61,305,291</u>	<u>274,283</u>	<u>235,182</u>	<u>61,814,756</u>	<u>740,082</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Deferred inflows related to pensions	533,282	311,537	150,453	995,272	-
Deferred inflows related to OPEB	5,377	3,679	1,485	10,541	-
Total deferred inflows of resources	<u>538,659</u>	<u>315,216</u>	<u>151,938</u>	<u>1,005,813</u>	<u>-</u>
<b>NET POSITION:</b>					
Net investment in capital assets	48,516,586	1,026,149	12,747,267	62,290,002	-
Restricted for:					
Pensions/OPEB	598,011	281,238	177,473	1,056,722	-
Bond debt service	2,076,982	-	-	2,076,982	-
Bond renewal and replacement	500,000	-	-	500,000	-
Capital projects	2,324,443	-	-	2,324,443	-
Unrestricted	2,386,884	189,861	4,664,756	7,241,501	911,824
Total net position	<u>\$ 56,402,906</u>	<u>\$ 1,497,248</u>	<u>\$ 17,589,496</u>	<u>\$ 75,489,650</u>	<u>\$ 911,824</u>
Current Year adjustment to reflect the consolidation of internal service fund activities to enterprise funds.				(76,141)	
Net position of business-type activities (A-1)				<u>\$ 75,413,509</u>	

The notes to the financial statements are an integral part of this statement.

**CITY OF JEFFERSON, MISSOURI**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended October 31, 2018**

D-2

	Business-type Activities				Governmental
	Wastewater	Transit	Nonmajor Enterprise Funds (See H-4)	Total Enterprise Funds	Activities Internal Service Funds (See H-7)
<b>Operating Revenues:</b>					
Charges for services	\$ -	\$ 186,787	\$ 1,282,225	\$ 1,469,012	\$ -
Charges for services pledged as security for revenue bonds:					
Sewer	11,562,862	-	-	11,562,862	-
Miscellaneous	1,628	50,962	31,217	83,807	8,015
Premiums	-	-	-	-	4,069,548
Total operating revenues	<u>11,564,490</u>	<u>237,749</u>	<u>1,313,442</u>	<u>13,115,681</u>	<u>4,077,563</u>
<b>Operating Expenses:</b>					
Personnel services	2,510,545	1,534,163	659,927	4,704,635	-
Contractual services	1,261,349	328,054	376,886	1,966,289	230,806
Claims Expense	42,310	394	-	42,704	3,570,431
Material and supplies	578,932	262,081	55,361	896,374	240
Repairs and maintenance	521,214	445,345	165,745	1,132,304	-
Utilities	533,001	28,459	53,443	614,903	-
Depreciation	3,565,989	297,357	1,012,449	4,875,795	-
Other operating	89,497	53,041	147,509	290,047	2,120
Total operating expenses	<u>9,102,837</u>	<u>2,948,894</u>	<u>2,471,320</u>	<u>14,523,051</u>	<u>3,803,597</u>
Operating income (loss)	<u>2,461,653</u>	<u>(2,711,145)</u>	<u>(1,157,878)</u>	<u>(1,407,370)</u>	<u>273,966</u>
<b>Nonoperating revenue (expenses):</b>					
Intergovernmental	-	1,121,540	48,064	1,169,604	-
Interest and investment revenue	969,275	7,860	80,426	1,057,561	22,546
Interest expense and fees	(2,101,422)	-	-	(2,101,422)	-
Gain/(Loss) on sale of capital assets	24,209	496	17	24,722	-
Total nonoperating revenues (expenses)	<u>(1,107,938)</u>	<u>1,129,896</u>	<u>128,507</u>	<u>150,465</u>	<u>22,546</u>
Income (loss) before capital contributions and transfers	<u>1,353,715</u>	<u>(1,581,249)</u>	<u>(1,029,371)</u>	<u>(1,256,905)</u>	<u>296,512</u>
Capital contributions	349,851	224,764	128,779	703,394	-
Transfers in	-	1,240,829	263,131	1,503,960	-
Change in net position	1,703,566	(115,656)	(637,461)	950,449	296,512
Net position-beginning	54,821,102	1,698,466	18,261,510	-	615,312
Prior period adjustment	(121,762)	(85,562)	(34,553)	-	-
Total net position-beginning, as restated	<u>54,699,340</u>	<u>1,612,904</u>	<u>18,226,957</u>	<u>-</u>	<u>615,312</u>
Net position-ending	<u>\$ 56,402,906</u>	<u>\$ 1,497,248</u>	<u>\$ 17,589,496</u>	<u>\$ -</u>	<u>\$ 911,824</u>

Amounts reported for business-type activities in the statement of activities are different because:

Current Year adjustment to reflect the consolidation of Internal Service Funds related to Enterprise Funds	28,828
Change in net position - business-type activities (B-1)	<u>\$ 979,277</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF JEFFERSON, MISSOURI**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended October 31, 2018**

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	<b>Business-type Activities</b>				<b>Governmental</b>
	<b>Wastewater</b>	<b>Transit</b>	<b>Nonmajor Enterprise Funds (See H-5)</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds (See H-8)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Services provided to other funds	\$ -	\$ -	\$ -	\$ -	\$ 3,968,535
Receipts from customers	11,586,760	233,976	1,312,080	13,132,816	-
Payments to suppliers	(3,382,016)	(1,118,499)	(867,141)	(5,367,656)	167,142
Payments to employees	(2,476,268)	(1,521,513)	(642,660)	(4,640,441)	-
Claims paid	(42,310)	(394)	-	(42,704)	(3,668,491)
Net cash provided (used) by operating activities	<u>5,686,166</u>	<u>(2,406,430)</u>	<u>(197,721)</u>	<u>3,082,015</u>	<u>467,186</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Operating subsidies and transfers from other funds	-	1,240,829	263,131	1,503,960	-
Operating subsidies from other governments	(49,765)	1,252,876	17,270	1,220,381	-
Net cash provided (used) by noncapital financing activities	<u>(49,765)</u>	<u>2,493,705</u>	<u>280,401</u>	<u>2,724,341</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital grants	52,476	224,764	128,779	406,019	-
Capital recovery contributions	297,375	-	-	297,375	-
Purchases of capital assets	(1,852,587)	(379,552)	(60,965)	(2,293,104)	-
Sale of assets	24,209	496	17	24,722	-
Principal paid on capital debt	(3,797,600)	-	-	(3,797,600)	-
Interest/fees paid on capital debt	(2,268,213)	-	-	(2,268,213)	-
Net cash provided (used) by capital and related financing activities	<u>(7,544,340)</u>	<u>(154,292)</u>	<u>67,831</u>	<u>(7,630,801)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of investments	(18,500)	-	-	(18,500)	-
Interest and dividends	995,686	7,861	80,425	1,083,972	22,546
Net cash provided (used) by investing activities	<u>977,186</u>	<u>7,861</u>	<u>80,425</u>	<u>1,065,472</u>	<u>22,546</u>
Net increase (decrease) in cash and cash equivalents	(930,753)	(59,156)	230,936	(758,973)	489,732
Balances-beginning of the year	12,521,258	308,881	4,449,883	17,280,022	850,953
Balances-end of the year	<u>\$ 11,590,505</u>	<u>\$ 249,725</u>	<u>\$ 4,680,819</u>	<u>\$ 16,521,049</u>	<u>\$ 1,340,685</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ 2,461,653	(2,711,145)	\$ (1,157,878)	\$ (1,407,370)	\$ 273,966
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation expense	3,565,989	297,357	1,012,449	4,875,795	-
Change in assets, deferred outflows, deferred inflows, and liabilities:					
Receivables, net	(11,531)	(3,773)	(5,009)	(20,313)	(109,028)
Prepaid items	(8,808)	(433)	(265)	(9,506)	-
Deferred outflows	333,281	205,830	93,683	632,794	-
Accounts and other payables	(931,857)	(365,967)	(218,661)	(1,516,485)	302,248
Deferred inflows	277,439	171,701	77,960	527,100	-
Net cash provided by operating activities	<u>\$ 5,686,166</u>	<u>\$ (2,406,430)</u>	<u>\$ (197,721)</u>	<u>\$ 3,082,015</u>	<u>\$ 467,186</u>
	<b>Noncash Investing Activities</b>				
Contributions of capital assets from developers	\$ 147,840	\$ -	\$ -	\$ 147,840	\$ -

The notes to the financial statements are an integral part of this statement.



**CITY OF JEFFERSON, MISSOURI**  
**Statement of Assets and Liabilities**  
**Fiduciary Funds**  
**October 31, 2018**

E-1

	<b>Agency Fund</b>
<b>ASSETS:</b>	
Cash and cash equivalents	\$ 23,643
Receivables (net of allowance for uncollectibles):	
Accounts	85,586
Total assets	109,229
<b>LIABILITIES:</b>	
Due to other entities	109,229
Total liabilities	\$ 109,229

The notes to the financial statements are an integral part of this statement.

## **NOTES TO THE FINANCIAL STATEMENTS**

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The Notes to the Financial Statements include a summary of accounting policies followed and information used by the City that are judged to be most appropriate for full disclosure in the preparation of the financial statements.

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**City of Jefferson, Missouri**  
**Notes to Financial Statements**  
**October 31, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the *City of Jefferson, Missouri* (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

**A. Reporting Entity**

The *City of Jefferson* is a municipal corporation governed by an elected mayor and ten-member council. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The City's relationship to other legally separate organizations has been examined to determine if their inclusion in the City's financial statements is necessary to fairly present the financial position 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 entity's governing board, and the level of influence the City has over the activities of the organization. Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the City's reporting entity.

**Included within the reporting entity:**

*Jefferson City Convention & Visitors Bureau Inc.*

- The Jefferson City Convention and Visitors Bureau (JCCVB) Financial Statement (for fiscal year ended December 31, 2017) is included as a **discretely presented component unit** because it is a legally separate non-profit organization and in excess of 60% of the organizations total revenue is provided by the City from a 7% lodging tax assessed by the City of Jefferson (prior to May 1, 2011 the lodging tax was 3%). Additionally the City approves their annual operating budget and appoints their governing board.
- A separate audited financial report of JCCVB is publicly available by written request from the Jefferson City Convention and Visitors Bureau Inc., 700 E. Capitol Avenue, Jefferson City, MO 65101.

**Excluded from the reporting entity:**

- *Jefferson City Public School District*
- *City of Jefferson Housing Authority*
- *City of Jefferson Industrial Development Authority*
- *Missouri River Regional Library System*

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from the statements. **Governmental activities**, which normally are supported by taxes and intergovernmental revenues, are reported separately from **business-type activities**, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

**City of Jefferson, Missouri**  
**Notes to Financial Statements**  
**October 31, 2018**

*funds* are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

*Governmental fund financial statements* are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues available if they are collected within 60 days after year end except those described below. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, sales taxes, franchise taxes, other taxes, licenses, grants, interest and special assessments are susceptible to accrual. Other receipts and taxes become measurable and available when cash is received by the City and are recognized as revenue at that time.

The City reports the following *major governmental funds*:

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

The *parks fund, a special revenue fund*, accounts for revenue sources from the operations of Parks and Recreation and sales taxes specifically designated for Parks and Recreation that are legally restricted to expenditures for specific purposes including major capital projects.

The *capital improvement tax fund* accounts for the acquisition of capital assets or construction of major capital projects not being financed by other funds.

The City reports the following *major proprietary funds*:

The *wastewater fund* accounts for the activities of the sewage treatment plant, sewage pumping and collection systems.

The *transit fund* accounts for the operations of bus fixed route and handicap public transit.

Additionally, the City reports the following fund types:

The *internal service funds* account for operations that provide self-insured worker's compensation/risk management services and self-funded health insurance to all operating funds of the City.

The *agency fund* is a clearing account for tax increment financing. The agency fund is custodial in nature and does not involve measurement of results of operations.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are direct costs and program revenues reported for the various functions concerned, which would be distorted if eliminated.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. However, taxes imposed by the State of Missouri and Cole County and distributed to the City, such as gasoline, motor vehicle increase, and road and bridge taxes are included

**City of Jefferson, Missouri**  
**Notes to Financial Statements**  
**October 31, 2018**

in operating and capital grants and contributions on the government-wide statements.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Wastewater, Airport, Parking, and Transit enterprise funds, and of the government's internal service funds are charges to customers for sales and services. The Wastewater fund also recognizes as operating revenue the portion of sewer connection fees intended to recover the costs of connecting new customers to the system. Operating expenses for enterprise funds and the internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

**D. Assets, Liabilities and Net Position or Equity**

**Deposits and Investments**

The City's *cash and cash equivalents* are considered to be cash on hand, demand deposits, amounts invested in overnight repurchase agreements, mutual funds, and investments with a maturity date of 90 days or less.

Cash resources of all city individual funds are combined to form a pool which is invested in overnight repurchase agreements which are carried at cost, which approximates fair value.

State law and the City's *investment* policy allow the Finance Director to invest in U.S. Treasury obligations, U.S. Government Agency securities and instrumentalities of government sponsored corporations, repurchase agreements, certificates of deposit, Missouri local government investment pools and full faith and credit obligations of the United States, the state of Missouri or any Missouri local government unit. Such investments are stated at fair value. Fair values for investments for the City, as well as its component unit, are determined by closing market prices at fiscal year-end as reported by the custodian.

Interest earned as a result of pooling is distributed to the appropriate funds based upon the month-end balances of cash and marketable securities of each fund.

**Contributions and Grants**

Grants are received from State, Federal, and Local sources and are classified as either capital grants to be used for the construction or acquisition of capital assets, or operating grants to be used at the discretion of the grantee for operating purposes.

Contributions and grants received by all funds are accounted for as follows: Contributions and grants for both capital and operating purposes are included in revenues. Grant revenues are accrued as eligible expenditures or commitments are incurred, as appropriate for the fund type involved.

**Inventory and Prepaid Items**

Inventory is valued at cost using the first-in, first-out method. Inventories consist of vehicle parts and accessories for the transit system and City vehicles. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of such prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**Restricted Assets**

Certain assets of the Wastewater enterprise fund are set aside and restricted by bond covenants as security for payment of debt service costs on outstanding bonds, for replacement reserves, for contingencies and for the periodic accumulation of funds to pay semi-annual bond interest and annual principal due during the next fiscal year. Likewise, assets of the Worker's Compensation Risk Management Fund are set aside to comply with Missouri Statutes.

**City of Jefferson, Missouri**  
**Notes to Financial Statements**  
**October 31, 2018**

**Capital Assets**

Capital Assets, which include property, plant, equipment, and infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City Finance Director as assets with an estimated useful life in excess of one year with a threshold of \$10,000.

Capital assets for all fund types are recorded at cost or estimated historical cost where cost could not be determined from available records. Donated capital assets are recorded at their acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are charged to operations as they occur and are not included in the capital assets. Renewals and betterments are capitalized over the remaining useful life of the related capital assets, as applicable.

Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed. Total interest expense for the year was \$2,042,882. In addition, capital outlays for intangible assets are capitalized. Intangible assets include easements with an indefinite life which are therefore, not being amortized.

Property, plant and equipment are depreciated using the straight line method over the following estimated useful lives:

Buildings	10-50 years
Improvements other than buildings	7-10 years
Wastewater plant and system	40-50 years
Machinery and equipment	5-20 years
Furniture and fixtures	5-10 years
Motor vehicles	5-15 years

Infrastructure:

Streets and stormwater drainage	35 years
Sidewalks and trails	30 years
Street lighting	30 years
Traffic signals	20 years

**Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay and certain sick incentive pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

At October 31, 2018 employees of the City had accumulated earned vacation, sick leave and compensatory time aggregating \$3,007,959 of which-

- \$ 2,568,054 has been recorded in the government-wide, governmental activities, liabilities, and
- \$ 439,905 has been recorded in the various proprietary funds and government-wide, business-type activities, liabilities.

**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 the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an expense in the period incurred.

**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. *Deferred outflows* represent a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow

**City of Jefferson, Missouri**  
**Notes to Financial Statements**  
**October 31, 2018**

of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. *Deferred inflows* represent 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. *Unavailable revenues* are deferred and recognized as an inflow of resources in the period that the amounts become available. *Unearned revenues* arise when resources are received by the government before it has a legal claim to them.

**Fund Balances**

The City follows GASB 54 for its reporting of fund balances.

GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund.

In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the City Council. The City Council is the highest level of decision making authority for the City of Jefferson. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the City Council.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the City’s adopted policy, only the City Council may assign amounts for specific purposes.

Unassigned – the residual classification for the government’s general fund and includes all spendable amounts not contained in the other classifications. The general fund will be the only fund that reports a positive unassigned fund balance amount. In the other governmental funds, if expenditures exceed the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions.

The City’s adopted Financial Policy Guidelines state that the City calculates an unassigned General fund balance at a minimum of 17% of expenditures as originally adopted for the General Fund budget. All other funds, if they are not subsidized by other funds, shall maintain a minimum 10% fund balance.

**Adoption of new Accounting Pronouncements**

Effective November 1, 2017, the City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement changes the standard for measuring and recognizing liabilities, deferred outflows and inflows of resources and expense related to postemployment benefit plans. This statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. The adoption of this statement added additional disclosures to the financial statements.

Effective November 1, 2017, the City adopted GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. GASB Statement No. 89 requires that interest cost incurred before the end of a construction period be recognized as

**City of Jefferson, Missouri**  
**Notes to Financial Statements**  
**October 31, 2018**

an expense during the period in which it is incurred using the economic resources measurement focus. These interest costs will no longer be included in the historical cost of a capital asset.

**E. Subsequent Events**

The City evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through April 26, 2019 which is the date the financial statements were available to be issued.

On December 21, 2018 the City issued Industrial Revenue Bonds (Command Web Project), Series 2018, in the maximum aggregate principal amount of \$34,250,000 for the purpose of acquiring certain machinery and equipment to be installed at the Company's manufacturing facility which is located within the City.

**NOTE 2: Reconciliation of Government-wide and Fund Financial Statements**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**

The governmental fund balance sheet includes reconciliation between fund balance-total governmental funds and net position-governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable revenue in the funds." The details of the \$607,395 difference are as follows:

Property tax receivable/deferred inflow	\$	460,112
Franchise tax receivable/unearned revenue		23,333
Grant receivable/unearned revenue		123,950
Net adjustment to increase fund balance-total governmental funds to arrive at net position-governmental activities	\$	607,395

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances-total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$2,008,560 difference are as follows:

Capital outlay	\$	4,454,310
Depreciation expense		(6,462,870)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$	(2,008,560)

Another element of that reconciliation states that "The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position." The details of the \$298,270 difference are as follows:



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Donated and annexed capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.

Donated capital assets	\$ 316,650
In addition, the loss on disposal of capital assets are not reported in the governmental funds	<u>(18,380)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 298,270</u>

Another element of that reconciliation states that “Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.” The details of the \$329,846 difference are as follows:

Property tax revenue	\$ (63,606)
Intergovernmental revenue	<u>(266,240)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (329,846)</u>

**NOTE 3: FAIR VALUE MEASUREMENTS**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. 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.

The City’s investments by input levels as of October 31, 2018 are presented below.

Investment	2018 Fair Value	Quoted Prices Markets for Identical Assets (Level 1)
Fixed Income Securities	\$ 5,599,081	\$ 5,599,081
City's Investments	5,599,081	5,599,081
Total Investments	<u>\$ 5,599,081</u>	<u>\$ 5,599,081</u>

**NOTE 4: DEPOSITS & INVESTMENTS**

As of October 31, 2018, the City of Jefferson had the following investments and maturities:

	<b>Type</b>	<b>Maturities</b>	<b>Total</b>
<b>City of Jefferson Investments:</b>			
Repurchase agreements (cash & cash equivalents)	Less than one year		\$ 39,980,845
Money Market	Less than one year		675,194
Fixed Income Securities	6 - 10 years		5,599,081
Total City's Deposits/Investments			<u>\$ 46,255,120</u>

See note 1.D., *Deposits and Investments*, for a discussion of how shares are valued. A credit rating is not available.

*Interest rate risk.* It is the policy of the City to invest public funds in a manner which will provide maximum security of capital, meet

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daily cash flow demands and earn a market rate of return on investment for like maturities and securities instruments; while conforming to all applicable statutes governing the investment of public funds. The City manages its exposure to declines in fair values by limiting the segmented time distribution of its investment portfolio to less than one year.

*Credit risk.* State statutes authorize the City to invest in obligations of the U.S. Treasury, and federal agencies and instrumentalities; certificates of deposit issued by Missouri banks; and repurchase agreements.

*Concentration of credit risk.* The City of Jefferson has no formal policy related to a specific deposit or investment risk. However, in accordance with the City of Jefferson investment policy, the investments will be diversified to minimize the risk of loss resulting from over concentration of assets in (1) a specific investment type, (2) a specific issuer or (3) a specific maturity. The following guidelines represent limits established for diversification by instrument:

Type and Issuer	Percent of Portfolio	
	minimum	maximum
U.S. Treasury Obligations	5%	100%
U.S. Government Agency Securities and Instrumentalities of Government	0%	80%
Certificates of Deposits (CD's)	0%	50%
Repurchase Agreements	5%	100%
Full faith & credit obligations of the State or any Missouri local governmental entity	0%	25%

Repurchase agreements and Guaranteed Investment Contracts represent concentrations greater than 5%.

*Custodial credit risk - deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the City of Jefferson's deposits may not be returned to the City. All bank balances and certificates of deposit as of the balance sheet date are entirely insured or collateralized with securities held by the City or by its agent in the City's name. The City has no custodial credit risk policy for deposits.

***Discretely Presented Component Unit:***

Jefferson City Convention and Visitors Bureau, a discretely presented component unit, accounts are secured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. There was \$525,516 uninsured at December 31, 2017. At December 31, 2017 year end, the JC Convention and Visitors Bureau's deposit balances were cash & cash equivalents of \$5,338,698.

**NOTE 5: RECEIVABLES**

Taxes receivable represent amounts due for property taxes, gasoline tax, franchise tax and sales tax which have been reflected as revenues reduced by an appropriate allowance for uncollectible.

Accounting for certain nonexchange revenues: property tax, sales tax, motor vehicle and gasoline tax are in accordance with Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

Taxes receivable includes a receivable for property tax in the amount of \$5,364,526 for property assessed as of January 1, 2018. However, the related revenue is deferred until after the fiscal year end since the taxes are budgeted and levied for the subsequent fiscal year. Therefore, \$5,364,526 was recognized as deferred inflow of resources in the General Fund. The receivable also includes the sales, motor vehicle and gasoline taxes charged by the retailers in October (point of sale). The third quarter taxes are due by October 31 of which the State of Missouri receives the majority in the first week of November. The October monthly filer's tax is due by November 20 of which the State also receives the majority of it in November. Therefore, the State remits its November collections to the City in December. The tax receivable includes both November and December receipts from the State of Missouri, representing the taxes charged by retailers through October 31, 2018.

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**A. Property Taxes**

The City's property tax is levied by the Counties of Cole and Callaway each October 1, based on the assessed value as of the previous January 1, for all real and personal property located in the City. Assessed values are established by the County Assessors.

Property taxes are billed by November 1 following the levy date, due by December 31 and are considered delinquent on January 1. A lien is placed on the property as of March 1 if delinquent taxes are not paid.

The assessed value for property located in the City as of January 1, 2017 upon which the Fiscal Year 2018 budget was based, amounted to \$893,179,890. The City's property tax levies per \$100 of assessed valuation for the year ended October 31, 2018 were as follows:

	Levy (dollars)	
	Cole	Callaway
General Fund	\$ 0.4600	\$ 0.4600
Firemen's Retirement	\$ 0.0961	\$ 0.0961
<b>Totals</b>	<b>\$ 0.5561</b>	<b>\$ 0.5561</b>

The City is permitted by the Missouri State Constitution to levy taxes up to \$1.00 per \$100 assessed valuation for general governmental services (General Fund) other than the payment of principal and interest on long-term debt and in unlimited amounts for the payment of principal and interest on long-term debt. There was no Debt Service levy for the year ended October 31, 2018.

**B. Loan, Notes and Accounts Receivable:**

**Schedule of Receivables**

Receivables at October 31, 2018 on the fund financial statements consist of the following:

	General	Parks	Capital Projects	Wastewater	Transit	Non Major & Other Funds	Total
Taxes/Franchise Fees	\$ 8,272,842	\$ 884,717	\$ 884,740	\$ -	\$ -	\$ 130,250	\$ 10,172,549
Accounts	124,205	1,093	-	1,112,736	10,030	57,327	1,305,391
From other Governments	613,354	14,081	-	72,228	78,702	114,355	892,720
<b>Gross Receivables</b>	<b>\$ 9,010,401</b>	<b>\$ 899,891</b>	<b>\$ 884,740</b>	<b>\$ 1,184,964</b>	<b>\$ 88,732</b>	<b>\$ 301,932</b>	<b>\$ 12,370,660</b>
Less: Allowance for Uncollectible	(281,973)	-	-	(21,907)	-	(1,242)	(305,122)
<b>Net Total Receivables</b>	<b>\$ 8,728,428</b>	<b>\$ 899,891</b>	<b>\$ 884,740</b>	<b>\$ 1,163,057</b>	<b>\$ 88,732</b>	<b>\$ 300,690</b>	<b>\$ 12,065,538</b>

**City of Jefferson, Missouri**  
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**NOTE 6: CAPITAL ASSETS**

Capital asset activity for the year ended October 31, 2018 was as follows:

**Primary Government**

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balances</u>
<b>Government Activities:</b>				
Capital Assets, not being depreciated:				
Land	\$ 15,101,257	\$ -	\$ -	\$ 15,101,257
Easements	350,063	15,000	-	365,063
Construction in progress	6,415,851	3,570,783	(3,091,725)	6,894,909
Total Capital Assets, not being depreciated	<u>21,867,171</u>	<u>3,585,783</u>	<u>(3,091,725)</u>	<u>22,361,229</u>
Capital Assets, being depreciated:				
Buildings	27,493,468	-	(40,740)	27,452,728
Improvements other than buildings	14,912,122	810,126	-	15,722,248
Machinery and equipment	19,092,202	883,535	(648,716)	19,327,021
Infrastructure	191,916,459	2,583,250	-	194,499,709
Total Capital Assets, being depreciated	<u>253,414,251</u>	<u>4,276,911</u>	<u>(689,456)</u>	<u>257,001,706</u>
Less Accumulated Depreciation for:				
Buildings	(9,063,890)	(617,341)	40,740	(9,640,491)
Improvements other than buildings	(9,995,420)	(651,828)	-	(10,647,248)
Machinery and equipment	(13,669,643)	(1,147,131)	630,330	(14,186,444)
Infrastructure	(104,960,479)	(4,046,571)	-	(109,007,050)
Total Accumulated Depreciation	<u>(137,689,432)</u>	<u>(6,462,871)</u>	<u>671,070</u>	<u>(143,481,233)</u>
Total Capital Assets, being depreciated, net	<u>115,724,819</u>	<u>(2,185,960)</u>	<u>(18,386)</u>	<u>113,520,473</u>
Governmental activities capital assets, net	<u>\$ 137,591,990</u>	<u>\$ 1,399,823</u>	<u>\$ (3,110,111)</u>	<u>\$ 135,881,702</u>

\*\*2017 has been restated to reflect the prior period adjustment in Note 13 in the Notes to the Financial Statements section.

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	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balances</u>
<b>Business-type activities:</b>				
Capital Assets, not being depreciated:				
Land	\$ 5,211,214	\$ -	\$ -	\$ 5,211,214
Easements	67,374	-	-	67,374
Construction in progress	7,594,575	1,643,487	(8,097,075)	1,140,987
Total Capital Assets, not being depreciated	<u>12,873,163</u>	<u>1,643,487</u>	<u>(8,097,075)</u>	<u>6,419,575</u>
Capital Assets, being depreciated:				
Buildings	80,076,945	1,851,646	-	81,928,591
Improvements other than buildings	14,465,747	84,567	-	14,550,314
Machinery and equipment	9,089,717	483,649	(194,572)	9,378,794
Distribution and Collection	62,099,173	6,326,833	-	68,426,006
Total Capital Assets, being depreciated	<u>165,731,582</u>	<u>8,746,695</u>	<u>(194,572)</u>	<u>174,283,705</u>
Less Accumulated Depreciation for:				
Buildings	(22,074,786)	(1,762,601)	-	(23,837,387)
Improvements other than buildings	(5,308,571)	(927,938)	-	(6,236,509)
Machinery and equipment	(7,011,604)	(654,825)	194,572	(7,471,857)
Distribution and Collection	(29,510,824)	(1,530,431)	-	(31,041,255)
Total Accumulated Depreciation	<u>(63,905,785)</u>	<u>(4,875,795)</u>	<u>194,572</u>	<u>(68,587,008)</u>
Total Capital Assets, being depreciated, net	<u>101,825,797</u>	<u>3,870,900</u>	<u>-</u>	<u>105,696,697</u>
Business-type activities capital assets, net	<u>\$ 114,698,960</u>	<u>\$ 5,514,387</u>	<u>\$ (8,097,075)</u>	<u>\$ 112,116,272</u>

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

Government activities:		Business-type activities:	
General government	\$ 149,722	Wastewater	\$ 3,565,989
Public safety	882,775	Transit	297,357
Community development	4,416,749	Airport	935,225
Culture and recreation	<u>1,013,624</u>	Parking	<u>77,224</u>
Total depreciation expense- Governmental activities	<u>\$ 6,462,870</u>	Total depreciation expense- Business-type activities	<u>\$ 4,875,795</u>

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**NOTE 7: LONG-TERM DEBT**

**A. Bonds Payable**

The following is a summary of bonded debt transactions of the City for the year ended October 31, 2018:

	Bonds Payable	
	Wastewater	Total
Bonds payable at 10/31/17	\$ 57,569,200	\$ 57,569,200
Bonds issued	-	-
Bonds retired	(3,797,600)	(3,797,600)
<b>Bonds payable at 10/31/18</b>	<b>\$ 53,771,600</b>	<b>\$ 53,771,600</b>
Deferred amounts:		
Premiums/Discounts	944,724	944,724
Net bonds payable at 10/31/18	\$ 54,716,324	\$ 54,716,324
Interest to maturity	14,853,473	14,853,473
<b>Total Debt Service to Maturity</b>	<b>\$ 69,569,797</b>	<b>\$ 69,569,797</b>

The annual debt service requirements to maturity, including interest (excluding amortization of premiums and/or discounts) on all bonded debt outstanding as of October 31, 2018 are as follows:

	Wastewater Debt Service Requirements		
	Principal	Interest	Total
2019	\$ 3,977,500	\$ 1,933,955	\$ 5,911,455
2020	4,128,300	1,771,645	5,899,945
2021	4,309,200	1,602,125	5,911,325
2022	4,481,000	1,425,273	5,906,273
2023	3,277,800	1,240,435	4,518,235
2024-2028	15,499,800	4,437,121	19,936,921
2029-2033	13,413,000	2,131,444	15,544,444
2034-2038	4,685,000	311,475	4,996,475
Totals	\$ 53,771,600	\$ 14,853,473	\$ 68,625,073

**Pledged Revenues**

The City has pledged future sanitary sewer operating revenues, net of specified operating expense, to repay \$53,771,600 in sanitary sewerage system revenue bonds. The bonds are payable solely from sanitary sewer net revenues and are payable through 2038. Annual principal and interest payments on the bonds have required on average between 80 and 90 percent of net revenues. The total principal and interest remaining to be paid on bonds is \$68,625,073. Principal and interest paid for the current year and total net sanitary sewer revenues for the current year were \$5,891,790 and \$7,021,126, respectively.

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**Revenue Bond payables at October 31, 2018 are comprised of the following individual issues:**

<b>\$24,875,000 Sewerage</b> System Improvement and Refunding Revenue Bond (State Revolving Fund-Leveraged Loan Program) Series 2001C payable in annual installments of \$785,000 to \$1,915,000, July 1, 2004 through July 1, 2022; interest at 3% - 5%	\$ 7,135,000
<b>\$ 4,600,000 Sewerage</b> System Revenue Bond (State Revolving Fund-Leveraged Loan Program) Series 2005A payable in annual installments of \$135,000 to \$345,000, May 19, 2005 through July 1, 2025; interest at 3.0% -5.0%	2,105,000
<b>\$10,105,000 Sewerage</b> System Revenue Bond (State Revolving Fund-Leveraged Loan Program) Series 2005C payable in annual installments of \$335,000 to \$750,000, November 30, 2005 through July 1, 2026; interest at 3.25% -5.25%	5,130,000
<b>\$ 3,900,000 Sewerage</b> System Revenue Bond (State Revolving Fund-Leveraged Loan Program) Series 2008A payable in annual installments of \$25,000 to \$320,000, October 30, 2008 through January 1, 2029; interest at 4.0% -5.75%	2,690,000
<b>\$6,445,000 Sewerage</b> System Revenue Bond (Taxable Build America Bonds) Series 2010B payable in annual installments of \$210,000 to \$515,000, August 5, 2010 through September 1, 2035 average coupon interest 6.103%	6,235,000
<b>\$15,000,000 Sewerage</b> System Revenue Bond (State Revolving Fund-Direct Loan Program) Series 2012 payable in semi-annual installments of \$307,000 to \$473,000, July 1, 2014 through July 1, 2033 average coupon interest 1.27%; due to the nature of the Direct Loan Program \$549,866 of the authorized amount of this bond is not yet issued	11,991,600
<b>\$9,940,000 Sewerage</b> System Revenue Bond Series 2014 payable in annual installments of \$410,000 to \$675,000, May 15, 2014 through July 1, 2035; interest at 2.0% - 3.5%	9,105,000
<b>\$9,380,000 Sewerage</b> System Revenue Bond Series 2016 payable in annual installments of \$550,000 to \$805,000, June 20, 2016 through July 1, 2036; interest at 3.0%	9,380,000
<b>Total bonded indebtedness in enterprise funds</b>	<b><u>\$ 53,771,600</u></b>

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions.

On November 7, 2000 voters approved \$52,000,000 of Sewerage System Revenue Bonds for improving and extending the City's sewerage system. The cost of operation and maintenance of the sewerage system is to be paid solely from the revenues derived by the City from the operation of its sewer system. A 29% increase in sewer fees was effective June 1, 2001 with an additional 4% increase annually for 9 years was required to finance the proposed sewer projects. On July 6, 2009 the Council approved an additional 27% increase in sewer fees effective June 1, 2010 in lieu of the 4%. On November 2, 2010 the voters approved issuance of Sewerage System Revenue Bonds in the amount of \$35,000,000 to finance the sanitary sewer system improvements from 2011 through 2017. This change increased the charges to customers 5% annually from 2011 through 2014, and 6% annually from 2015 through 2017.

The initial \$10,000,000 Sewerage System Revenue Bond was refunded in November 2001, creating a \$24,875,000 Revenue Bond (State Revolving Fund Program) Series 2001C. An additional Sewerage System Revenue Bond, Series 2002 in the amount of \$5,555,000 was issued in November 2002 and Series 2005A in the amount of \$4,600,000 in May 2005. On November 30, 2005 the City refunded the balance (\$4,980,000) of the \$5,555,000 November 2002 issue, creating a \$10,105,000 Sewerage System Revenue Bond (State Revolving Fund Program) Series 2005C. Another Sewerage System Revenue Bond, Series 2008A in the amount of \$3,900,000 was issued in October 2008. On August 5, 2010 the City issued additional Sewerage System Revenue Bonds: Series 2010A (tax exempt) in the amount of \$1,300,000 and Series 2010B (taxable Build America Bonds) in the amount of \$6,445,000. On November 13, 2012 the City issued an additional Sewerage System Revenue Bond (State Revolving Fund Program) Series 2012 in the amount of \$15,000,000. On May 15, 2014 the City issued an additional Sewerage System Revenue Bond Series 2014 in the amount of \$9,940,000. On June 20, 2016 the City issued an additional Sewerage System Revenue Bond Series 2016 in the amount of \$9,380,000. These bond issues in the amount of \$85,545,000 are part of \$52,000,000 approved by the voters in November 2000 and the \$35,000,000 approved by voters in November 2010.

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All of the City’s Wastewater Revenue Bonds, with the exception of the 2010A, 2010B, 2014, and 2016 bonds, were participants in the State of Missouri Department of Natural Resources (DNR) Revolving Fund-Leverage Loan Program (Capitalization Grant Agreement.) The Revolving Fund Program provides security for the revenue bonds participating in the program. As disbursements are made to the City from the restricted construction bond funds, DNR deposits additional funds into a Reserve Account. Funds on deposit in the Reserve Account (other than interest earnings) secure only a portion of the revenue bonds (70%). As the City makes principal payments on the related revenue bonds, an equivalent amount is repaid to DNR from the Reserve Account. The City assigns its right, title and interest in the Reserve Account to the State Environment Improvement and Energy Resources Authority to secure the City’s Wastewater Revenue Bonds. The Reserve Account for the 2001C issue is shown in the City of Jefferson’s Statement of Net Position, Proprietary Funds as an asset (Restricted Assets: Investments - revenue bond reserve fund) and a liability (Payable from restricted assets: Payable to other governments) in the amount of \$5,599,081 as of October 31, 2018.

**B. General Obligation Debt**

The City has no outstanding general obligation bonded debt. The legal debt margin (the amount of general obligation bonds the City could issue with voter approval) at October 31, 2018 is computed as follows:

Total 2017 Assessed Value		\$ 893,179,890
Ordinary debt (1)	10%	89,317,989
Additional debt (2)	10%	89,317,989
Constitutional debt limit	20%	178,635,978
Less: Current G.O. Bonds		-
<b>Available debt margin</b>		<b>\$ 178,635,978</b>

(1) Article VI, Sections 26(b) and (c) of the Missouri Constitution provides, with a vote of four-sevenths of qualified electors voting at a general municipal election day, primary or general election day or two-thirds for all other elections, a city may incur an indebtedness not to exceed in aggregate, 10 percent of the value of taxable tangible property of the city, for any purposes authorized in the charter of the city or by any general law of the State of Missouri.

(2) Article VI, Sections 26(d) and (e) of the Missouri Constitution provides, with a vote of four-sevenths of qualified electors voting at a general municipal election day, primary or general election day or two-thirds for all other elections, a city may become indebted an additional 10 percent of the value of taxable tangible property of the city for the purpose of acquiring right of way; construction, extending and improving streets and/or sanitary or sewer systems; and purchasing or constructing water works, electric or other light plants, provided that the total general obligation indebtedness of the city does not exceed 20 percent of the value of the taxable tangible property of the city.



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**C. Changes in Long-term Liabilities**

Long-term liability activity for the year ended October 31, 2018, was as follows:

<b>Governmental Activities:</b>	<u>Beginning Balance, as restated</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balances</u>	<u>Due Within One Year</u>
Lease (LTD)	\$ 4,883,440	\$ -	\$ (1,082,867)	\$ 3,800,573	\$ 352,780
Claims and Judgements	312,139	207,700	(305,760)	214,079	68,505
Compensated Absences	2,554,759	1,926,257	(1,912,962)	2,568,054	231,125
Total OPEB Liability	1,493,656	-	(99)	1,493,557	-
Net Pension Liability (Asset)	14,294,932	-	(6,618,625)	7,676,307	-
Governmental Activity Long-term Liabilities	<u>\$ 23,538,926</u>	<u>\$ 2,133,957</u>	<u>\$ (9,920,313)</u>	<u>\$ 15,752,570</u>	<u>\$ 652,410</u>
<b>Business-type Activities:</b>					
Bonds Payable:					
Revenue Bonds	\$ 57,569,200	\$ -	\$ (3,797,600)	\$ 53,771,600	\$ 3,977,500
Less Deferred Amounts:					
For Issuance Premiums	1,062,774	-	(118,050)	944,724	-
Total Bonds Payable	58,631,974	-	(3,915,650)	54,716,324	3,977,500
Payable to Other Governments	6,181,674	-	(1,187,174)	4,994,500	1,158,500
Claims and Judgements	-	42,704	(42,704)	-	-
Compensated Absences	419,155	352,514	(331,765)	439,904	39,590
Total OPEB Liability	298,731	785	-	299,516	-
Net Pension Liability (Asset)	(914,939)	-	(1,128,024)	(2,042,963)	-
Business-type Activity Long-term Liabilities	<u>\$ 64,616,595</u>	<u>\$ 396,003</u>	<u>\$ (6,605,317)</u>	<u>\$ 58,407,281</u>	<u>\$ 5,175,590</u>

Compensated absences in both governmental and business-type activities are classified as 91% long-term and 9% short-term liabilities. Accrued compensated absence liabilities and net pension liabilities related to governmental activities are generally liquidated by the General Fund and the Parks Fund.

Claims and judgments other than workers compensation in both governmental and business-type activities are classified as 68% long-term and 32% short-term liabilities. Claim liabilities related to governmental and business-type activities are normally paid from the fund associated with that claim. Claim liabilities for workers compensation are classified as 100% short-term liabilities in the government activities (workers compensation self-insured fund.)

**D. Leases**

On May 19, 2017 the City entered into a lease agreement in the amount of \$5,037,541 for the purchase of fire apparatus. The City of Jefferson made \$1,200,000 (\$1,082,867 in principal and \$117,133 in interest) in lease payments during the fiscal year.

The annual debt service requirements to maturity, including interest on this outstanding debt as of October 31, 2018 are as follows:

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	Fire Apparatus Debt Service Requirements		
	Principal	Interest	Total
2019	\$ 352,780	\$ 47,220.21	\$ 400,000
2020	314,326	85,674.19	400,000
2021	322,136	77,863.51	400,000
2022	330,141	69,858.74	400,000
2023	388,577	61,655.06	450,232
2024-2028	2,092,612	158,549.93	2,251,162
Totals	\$ 3,800,572	\$ 500,822	\$ 4,301,394

**E. Postretirement Benefits Other than Pensions (OPEB)**

**General Information about the Pension Plan**

*Plan Description and Benefits Provided*

The City sponsors a single-employer, defined benefit healthcare plan that provides healthcare benefits to retirees and their dependents. The City requires retirees to pay the same medical premium charged for active employees. Under the theory that retirees have higher utilization of services, the difference between the true cost of providing retiree coverage and what the retiree is being charged is known as the implicit rate subsidy, which is considered Other Postemployment Benefits (OPEB) under GASB Statement No. 45. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

*Employees Covered by Benefit Terms*

At October 31, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	11
Inactive employees entitled but not yet receiving benefits	-
Active employees	402
	413

**Total OPEB Liability**

The employer's total OPEB liability of \$1,793,073 was measured as of October 31, 2018, and determined by an actuarial valuation as of that date.

*Actuarial Assumptions*

The total OPEB liability in the October 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.25% wage inflation
Salary Increase	3.25% to 7.15% including wage inflation
Healthcare Trend Rates	Initial trend of 9.0% gradually decreasing to an ultimate trend rate of 3.25% in year 10

Retirees' Share of Benefit-

Related Costs                    100 percent of projected health insurance premiums for retirees

The discount rate was based on the tax-exempt municipal bond rated based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this valuation, the rate was based on the weekly rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA index".

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Mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table for males and females, adjusted for mortality improvement back to the observation period base year of 2006.

Unless otherwise specified, the actuarial assumptions used in making the October 31, 2018 valuation were based on a 5-year investigation of Missouri Local Government Employees Retirement System (LAGERS) in total for the period ending February 28, 2015.

**Changes in Total OPEB Liability**

	Total OPEB Liability
<b>Balances as of 10/31/17</b>	\$ 1,792,387
<b>Changes for year:</b>	
Service Cost	77,397
Interest	68,428
Changes of assumptions	(69,792)
Benefit payments, including refunds	(75,347)
<b>Net changes</b>	686
<b>Balances as of 10/31/18</b>	\$ 1,793,073

Changes of assumptions reflect a change in the discount rate from 3.49 percent in 2017 to 3.97 percent in 2018.

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate*

The following presents the total OPEB Liability of the employer, calculated using the discount rate of 3.97%, as well as what the employer's total OPEB Liability would be using a discount rate that is 1 percentage point lower (2.97%) or one percentage point higher (4.97%) than the current rate.

	1% Decrease 2.97%	Current Single Discount Rate Assumption 3.97%	1% Increase 4.97%
Total OPEB Liability	\$ 1,946,096	\$ 1,793,073	\$ 1,651,558

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates*

The following presents the total OPEB Liability of the employer, calculated using the healthcare cost trend rate (9.0 percent decreasing to 3.25 percent), as well as what the employer's total OPEB Liability would be using a healthcare cost trend rate that is 1 percentage point lower (8.0 percent decreasing to 2.25 percent) or one percentage point higher (10.0 percent decreasing to 4.25 percent) than the current rate.

	1% Decrease (8% decreasing to 2.25%)	Current Healthcare Cost Trend Rate (9% decreasing to 3.25%)	1% Increase (10% decreasing to 4.25%)
Total OPEB Liability	\$ 1,544,397	\$ 1,793,073	\$ 2,051,347

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended October 31, 2018 the employer recognized a negative OPEB expense of \$6,002. At October 31, 2018, the employer reported deferred outflows and inflows of resources related to OPEB from the following sources:

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	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	
Differences between expected and actual experience	\$ -	\$ -	-
Changes in assumptions	-		63,104
Net difference between projected and actual earnings on OPEB plan investments	-		-
	\$ -	\$ -	63,104

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

Year Ended:			
2019	\$	(6,688)	
2020		(6,688)	
2021		(6,688)	
2022		(6,688)	
2023		(6,688)	
Thereafter		(29,664)	
	\$	(63,104)	

**F. Conduit Debt Obligations**

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying financing arrangement. Upon repayment of the bonds, ownership of the acquired facilities transfer to the private-sector entity served by the bond issuance. Neither the City, 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 financial statements.

The aggregate amount of all outstanding conduit debt as of October 31, 2018 was \$24,450,920. As of the report date, taxable industrial revenue bonds were issued as follows:

Unilever Project, Series 2012, in the maximum aggregate principal amount of \$23,280,000 for the purpose of providing funds to pay the cost of facility expansion and acquiring certain manufacturing equipment which is located within the City. As of October 31, 2018 the principal amount outstanding was \$7,906,617.

Continental Commercial Products Project, Series 2015A, in the maximum aggregate principal amount of \$1,734,000 for the purpose of providing funds to renovate, improve and equip an existing building, which is located within the City, for manufacturing purposes. As of October 31, 2018 the principal amount outstanding was \$1,734,000.

Continental Commercial Products Project, Series 2015B, in the maximum aggregate principal amount of \$500,000 for the purpose of providing funds to renovate, improve and equip an existing building, which is located within the City, for manufacturing purposes. As of October 31, 2018 the principal amount outstanding was \$500,000.

Modern Litho Project, Series 2016, in the maximum aggregate principal amount of \$8,000,000 for the purpose of providing funds to pay the cost of acquiring and installing certain manufacturing equipment which is located within the City. As of October 31, 2018 the principal amount outstanding was \$99,739.

Axiom Plastics Project, Series 2017A, in the maximum aggregate principal amount of \$6,000,000 for the purpose of providing funds to pay the cost of acquiring real property and making certain real property improvements to the project site which is located within the City. As of October 31, 2018 the principal amount outstanding was \$1,000,399.

Axiom Plastics Project, Series 2017B, in the maximum aggregate principal amount of \$20,000,000 for the purpose of providing funds

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to equip the project site, which is located within the City, with certain personal property. As of October 31, 2018 the principal amount outstanding was \$13,210,165.

**NOTE 8: COMMITMENTS AND CONTINGENT LIABILITIES**

**A. Risk Management**

The City of Jefferson, Missouri is exposed to risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has purchased insurance up to \$3.6 million for these risks from Midwest Public Risk (MPR), except for worker's compensation described below. There have been no settlements in excess of insured coverage during the past five years. In 2001, the City established a \$50,000 self-insured retention with a \$250,000 shared annual aggregate for liability coverage. In 2015, the City reduced the self-insured retention to \$25,000 with no shared annual aggregate for liability coverage.

The Midwest Public Risk Fund is structured such that member premiums are based on an actuarial review that will provide adequate reserves to allow the Fund to meet its expected financial obligations. The Fund has the authority to assess its member's additional premiums should reserves and annual premiums be insufficient to meet the Fund's obligations.

Other commercial policies are purchased from various vendors for Property and Equipment, Excess Property, Boiler and Machinery, Commercial Crime, Excess Workers Compensation, and Airport Owners and Operators Liability.

In the area of loss prevention and control, the City has contracted for services through a commercial insurance company and a professional broker. The City has also instituted internal safety and supervisory training programs designed to minimize risk exposure and claims.

The claims liability of \$0 reported at October 31, 2018 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The claims liabilities do not include incremental claims adjustment expenses.

Fiscal Year Ending October 31, 2018				Fiscal Year Ending October 31, 2017			
	Governmental activities	Business-type activities	Total		Governmental activities	Business-type activities	Total
Beginning liability	\$ -	\$ -	\$ -	Beginning liability	\$ -	\$ -	\$ -
Claims & changes in estimates	30,752	42,704	73,456	Claims & changes in estimates	10,905	43,826	54,731
Claims payments	(30,752)	(42,704)	(73,456)	Claims payments	(10,905)	(43,826)	(54,731)
Ending liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	Ending liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**B. Worker's Compensation Risk Management**

On July 1, 1991, the City established a Worker's Compensation Risk Management Fund (an internal service fund) to account for and finance its uninsured risks of this loss. Under this program, the Risk Management Fund provides coverage for up to a maximum of \$350,000 for each worker's compensation claim, with the exception that claims for Public Safety (Fire/Police) provide maximum coverage of \$450,000 per claim. The City purchases commercial reinsurance for claims in excess of individual coverage provided by the Fund (Stop Loss \$350,000 individual with a policy maximum of \$1 million).

Payments are made to the Risk Management Fund based on payroll at State of Missouri Worker's Compensation rates which are estimates of the amounts needed to pay prior- and current-year claims and to build an unreserved fund balance. That balance was \$108,125 at October 31, 2018. The claims liability of \$214,079 reported in the Fund at October 31, 2018 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the fund's claims liability amount are as follows:

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	2017-2018	2016-2017	Due within One Year
Beginning liability	\$ 312,139	\$ 282,848	
Claims & changes in estimates	176,948	370,109	
Claims payments	(275,008)	(340,818)	
Ending liability	\$ 214,079	\$ 312,139	\$ 214,079

**C. Self-Funded Health Insurance**

On January 1, 2016, the City established a Self-Funded Health Insurance Fund (an internal service fund) to account for the transactions and reserves associated with the City’s medical and prescription drug programs for City employees. Coverage for health and prescription drug plans are self-insured. The City has a stop-loss attachment point of \$100,000 per individual with a policy maximum of \$3,988,924.

Payments are made to the Self-Funded Health Insurance Fund based on estimates of the amounts needed to pay prior- and current-year claims and to establish net position sufficient for catastrophic losses. That balance was \$803,699 at October 31, 2018. The claims liability of \$525,814 reported in the Fund at October 31, 2018 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the fund’s claims liability amount are as follows:

	2017-2018	2016-2017	Due within One Year
Beginning liability	\$ 125,466	\$ 153,031	
Claims & changes in estimates	3,370,751	2,493,511	
Claims payments	(2,970,403)	(2,521,076)	
Ending liability	\$ 525,814	\$ 125,466	\$ 525,814

**D. Litigation**

The City is a defendant in a number of claims and lawsuits resulting from personal injury, property damage, personnel actions, and police activity. The City Counselor has reviewed these claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the City and to arrive at an estimate, if any, of the amount or range of potential loss to the City. The City Counselor has reviewed lawsuits involving various departments and allegations, which are currently pending. The chances of the plaintiff’s success in these cases vary. The amount of any recovery payable from City funds should be \$350,000 or less. A number of other claims involving vehicles and property damage have been reviewed. Most have been resolved or are in the process of being resolved. While most are covered by insurance, some may have either deductibles, self-insured retention, or other circumstances which involve payment from City funds. The total from all of the above claims of this nature should not cause payment from City funds of an amount greater than \$110,000. No significant adverse impact beyond budgeted funds is anticipated from any of the pending claims or litigation.

**E. Commitments**

At fiscal year-end, October 31, 2018, the following funds have construction and other significant commitments:

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Primary Government	Commitment
General Fund	\$ 949,331
Parks Fund	\$ 18,943
Capital Projects	\$ 3,250,010
Wastewater Fund	\$ 683,787

**F. Grants and Other**

Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. City management believes disallowances, if any, will be immaterial to its financial position and operations.

**NOTE 9: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The General Fund transfers to **subsidize** Airport and Transit (\$1,248,989), Lodging Tax Fund **2% administrative fee** (\$24,102) transfer to the General Fund, and Capital Projects (\$254,971) transfers to the Transit and Airport Funds to subsidize purchases for the year ended October 31, 2018 are as follows:

	Transfer from other funds	Transfer to other funds
General Fund	\$ 24,102	\$ 1,248,989
Transit Fund	1,240,829	-
Airport Fund	263,131	-
Capital Projects	-	254,971
Non Major Government Funds	-	24,102
	\$ 1,528,062	\$ 1,528,062

**Discretely Presented Component Unit:**

The Jefferson City Convention and Visitors Bureau's (JC CVB) is a discretely presented component unit of the City of Jefferson with a fiscal year end of December 31. The City's lodging tax fund payable to JC CVB of \$228,394 at October 31, 2018 is different from their receivable of \$146,078 at December 31, 2017 because of the different fiscal year ends.

**NOTE 10: EMPLOYEES' RETIREMENT SYSTEMS**

**A. LAGERS**

**Summary of Significant Accounting Policies**

For purposes of measuring the net pension 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.

**General Information about the Pension Plan**

**Plan Description**

The City of Jefferson's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City of Jefferson 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

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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](http://www.molagers.org).

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>2018 Valuation</u>
Benefit Multiplier:	2%
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, 2018, the following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>	<u>Fire</u>
Inactive employees or beneficiaries currently receiving benefits	188	50	73
Inactive employees entitled but not yet receiving benefits	87	28	3
Active employees	251	85	73
	<u>526</u>	<u>163</u>	<u>149</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 13.2% (General), 18.5% (Police) and 45.0% (Fire) of annual covered payroll.

Net Pension Liability

The employer's net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2018.

Actuarial Assumptions

The total pension liability in the February 28, 2018 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.

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.



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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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	43.00%	5.16%
Fixed Income	26.00%	2.86%
Real Assets	21.00%	3.23%
Strategic Assets	10.00%	5.59%

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 Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
<b>Balances as of 6/30/17</b>	\$ 125,199,501	\$ 111,819,507	\$ 13,379,994
<b>Changes for year:</b>			
Service Cost	2,720,530	-	2,720,530
Interest	8,939,085	-	8,939,085
Changes of Benefit Terms	14,534,542	-	14,534,542
Difference between expected & actual experience	138,893	-	138,893
Contributions - employer	-	4,836,810	(4,836,810)
Contributions - legacy plan*	-	14,837,956	(14,837,956)
Contributions - employee	-	-	-
Net investment income	-	15,419,234	(15,419,234)
Benefit payments, including refunds	(6,591,847)	(6,591,847)	-
Administrative expenses	-	(70,768)	70,768
Other changes	-	(943,532)	943,532
<b>Net changes</b>	19,741,203	27,487,853	(7,746,650)
<b>Balances as of 6/30/18</b>	\$ 144,940,704	\$ 139,307,360	\$ 5,633,344

\*The City previously administered a closed Firemen's Pension Fund Plan. With the passing of H.B. 1443 (2016), the City chose to move the closed pension plan to LAGERS. These contributions are the assets of the closed Firemen's Pension Fund Plan that were moved to LAGERS as part of the transition.

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.

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	Current Single Discount		
	1% Decrease 6.25%	Rate Assumption 7.25%	1% Increase 8.25%
Total Pension Liability (TPL)	\$ 165,690,227	\$ 144,940,704	\$ 127,912,295
Plan Fiduciary Net Position	139,307,360	139,307,360	139,307,360
Net Pension Liability/(Asset) (NPL)	\$ 26,382,867	\$ 5,633,344	\$ (11,395,065)

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

For the year ended October 31, 2018 the employer recognized pension expense of (\$1,373,154). The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 882,620	\$ (2,414,342)
Differences in assumptions	2,109,535	-
Excess (deficit) investment returns	-	(4,005,298)
Contributions subsequent to the measurement date*	1,468,662	-
	<u>\$ 4,460,817</u>	<u>\$ (6,419,640)</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 October 31, 2019.

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

Year Ended:	
2019	\$ 148,805
2020	(650,304)
2021	(2,358,118)
2022	(1,229,735)
2023	147,226
Thereafter	514,641
	<u>\$ (3,427,485)</u>

**Payable to the Pension Plan**

At October 31, 2018, the City of Jefferson reported a payable of \$317,880 for the outstanding amount of contributions to the pension plan required for the year ended October 31, 2018.

**NOTE 11: DEPARTMENT DISCLOSURES**

For the year ending October 31, 2018, there were no departments (the legal level of budgetary control) in the governmental funds where expenditures exceeded appropriations.

**NOTE 12: TAX ABATEMENT**

The City of Jefferson can grant tax abatements as outlined below:

**Chapter 100 Financing:** In Missouri, cities and counties ("Municipality") can issue industrial development revenue bonds ("Revenue Bonds") pursuant to Chapter 100 of the Missouri Revised Statutes ("RSMo"), as amended (the "Act"), in order to encourage industrial

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development projects for private companies. Under the Act, the Municipality may issue Revenue Bonds to finance the costs of the purchase, construction, extension and improvement of warehouses, distribution facilities, research and development facilities, office industries, agricultural processing industries, service facilities which provide interstate commerce, and industrial plants, including the real estate either within or without the limits of such Municipality, buildings, fixtures and machinery (the "Project"). There are two primary reasons to issue Revenue Bonds under the Act. First, if the Revenue Bonds are tax-exempt, it may be possible to issue the Revenue Bonds at lower interest rates than those obtained through conventional financing. Second, even if the Revenue Bonds are not tax-exempt, ad valorem taxes levied on the Revenue Bond financed Project may be abated so long as the Revenue Bonds are outstanding.

In a typical Chapter 100 transaction, the Municipality holds fee title to the Project once the Revenue Bonds are issued and leases the Project to the private company. Because the Municipality is the legal owner of the Project while the Revenue Bonds are outstanding, the Project is exempt from ad valorem taxation and personal property taxation. The Municipality and the private company may determine that partial tax abatement - but not full tax abatement is desirable. In this case, the Municipality and the private company will enter into an agreement providing for the company to make "payments in lieu of taxes" to the Municipality and other taxing jurisdictions levying property taxes where the Project is located. The amount of payments in lieu of taxes to be paid by the private company is negotiable to any amount. The payments in lieu of taxes are payable by December 31 of each year and are distributed to the Municipality and to each taxing jurisdiction levying property taxes where the Project is located in the same manner and proportion as the property taxes would otherwise be distributed to such taxing jurisdictions under Missouri law. Section 100. 800 of the RS Mo does provide for the recapture of abated taxes in the event an abatement recipient does not fulfill the commitment it makes in return for the tax abatement.

For the fiscal year ended October 31, 2018, the City abated property taxes totaling \$33,795 under these Chapter 100 Financing agreements.

**Tax Increment Financing:** Pursuant to the Real Property Tax Increment Allocation Act, Sections 99.800 through 99.865, RSMo, as amended (the "TIF Act"), cities and counties ("Municipality") may adopt a redevelopment plan ("TIF plan") that provides for the redevelopment of a "blighted area", "conservation area" or "economic development area," located within the boundaries of the Municipality. The theory of TIF financing is that, by encouraging redevelopment projects, the value of real property in a redevelopment area should increase.

When the TIF plan is adopted, the assessed valuation of the real property in the redevelopment area is frozen at the current base level prior to construction of improvements. The owner of the property continues to pay property taxes at the base level and such property tax revenues are distributed to the taxing jurisdictions levying property taxes in the redevelopment area. As the property is improved, the assessed value of the real property in the redevelopment area increases above the base level. By applying the property tax levy of all taxing jurisdiction having taxing power within the redevelopment area to the increase in assessed valuation of the improved real property over the base level, a "tax increment" is produced. The tax increments, referred to as "payments in lieu of taxes," are paid by the owner of the real property in the same manner as regular property taxes. The payments in lieu of taxes are transferred by the collecting agency to the treasurer of the Municipality and deposited in a special allocation fund.

In addition to the payments in lieu of taxes described above, and pursuant to Section 99.845(3) of the Act, fifty percent of the total additional revenue from taxes which are imposed by the City, the County or other taxing districts, and which are generated by economic activities within the redevelopment area over the amount of such taxes generated by economic activities within the redevelopment prior to the TIF plan, are transferred by the collecting agency to the treasurer of the Municipality and deposited in a special allocation fund.

For the fiscal year ended October 31, 2018, the City abated property taxes and economic activity taxes totaling \$17,163 under these Tax Increment Financing agreements.

The following tax abatement agreements each exceeded 10 percent of the City's total taxes abated for fiscal year 2018:

- A 100 percent property tax abatement to a manufacturing company for the acquisition and installation of new packaging lines and processing equipment, and the relocation of existing out-of-state Company assets to the existing plant in the City. The abatements amounted to \$16,381.
- A 100 percent property tax abatement to a manufacturing company for the purpose of providing funds to renovate, improve and equip an existing building, which is located within the City, for manufacturing purposes. The abatements amounted to \$6,228.
- A 100 percent property tax abatement to a manufacturing company for the purpose of providing funds to pay the cost of acquiring and installing certain manufacturing equipment which is located within the City. The abatements amounted to

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\$10,052.

- A 100 percent property tax abatement and 50% economic activity tax abatement to the Southside TIF. In October 2009, the City approved the tax increment plan for the area commonly known as the E. Dunklin Street Redevelopment Area. The abatements amounted to \$10,729.

**NOTE 13: PRIOR PERIOD ADJUSTMENTS**

Noncurrent Liabilities

For the fiscal year ended October 31, 2017, the noncurrent liabilities in the government-wide financial statements for governmental activities were overstated due to the inclusion of Long Term Debt Accrued Interest Payable in the amount of \$617,954. This had no effect on the fund balance at the fund level in the prior period, however it would have increased the change in net position of governmental activities on the government-wide financial statements by \$617,594 from the amount originally reported.

Fixed Assets

For the fiscal year ended October 31, 2017, Construction in Progress in the amount of \$3,550,093 was omitted from the government-wide financial statements. This had no effect on the fund balance at the fund level in the prior period, however it would have increased the change in net position of governmental activities on the government-wide financial statements by \$3,550,093 from the amount originally reported.

Change in Accounting Principle

For the fiscal year ended October 31, 2018, the City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement changes the standard for measuring and recognizing liabilities, deferred outflows and inflows of resources and expense related to postemployment benefit plans. This statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Additional information on the impact of implementing GASB 75 can be found in Note 7.E. and the required supplementary information section.

As a result of implementation of GASB 75, as well as the other prior adjustments listed above, net position as of October 31, 2017, was restated as follows:

	Governmental Activities	Business-type Activities
Net position as of October 31, 2017	\$ 139,507,089	\$ 74,676,109
Prior period adjustments		
Total OPEB liability (GASB 75) - Beginning of FY18	(1,551,815)	(310,364)
Net OPEB obligation (GASB 45) - End of FY17	342,435	68,487
Removal of FY17 noncurrent liabilities	617,954	-
Addition of FY17 fixed asset construction in progress	3,550,093	-
Total prior period adjustment	2,958,667	(241,877)
Net position as of October 31, 2017 as restated	\$ 142,465,756	\$ 74,434,232

**REQUIRED SUPPLEMENTARY  
INFORMATION (RSI)**

City of Jefferson  
 Required Supplementary Information  
 October 31, 2018

**Schedule of Changes in Net Pension Liability and Related Ratios**  
**LAGERS - All Divisions Combined**  
**For the Last Four Fiscal Years\***

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<i>Fiscal year ending June 30,</i>				
<b>Total Pension Liability</b>				
Service Cost	\$ 2,720,530	\$ 2,593,354	\$ 2,568,487	\$ 2,532,035
Interest on the Total Pension Liability	8,939,085	8,591,220	7,967,490	7,661,827
Changes of Benefit Terms	14,534,542	-	-	-
Difference between expected and actual experience	138,893	(867,154)	(1,608,734)	(1,694,178)
Assumption Changes	-	-	4,236,574	-
Benefit Payments	(6,591,847)	(4,606,460)	(4,540,383)	(4,070,926)
<b>Net Change in Total Pension Liability</b>	<b>19,741,203</b>	<b>5,710,960</b>	<b>8,623,434</b>	<b>4,428,758</b>
<b>Total Pension Liability beginning</b>	<b>125,199,501</b>	<b>119,488,541</b>	<b>110,865,107</b>	<b>106,436,349</b>
<b>Total Pension Liability ending</b>	<b>\$ 144,940,704</b>	<b>\$ 125,199,501</b>	<b>\$ 119,488,541</b>	<b>\$ 110,865,107</b>
<b>Plan Fiduciary Net Position</b>				
Contributions-employer	\$ 4,836,810	\$ 4,188,777	\$ 4,151,922	\$ 4,368,344
Contributions-legacy plan	14,837,956	-	-	-
Contributions-employee	-	80,841	46,880	-
Pension Plan Net Investment income	15,419,234	12,130,427	(187,832)	1,902,415
Benefit Payments	(6,591,847)	(4,606,460)	(4,540,383)	(4,070,926)
Pension Plan Administrative expense	(70,768)	(63,974)	(60,825)	(65,895)
Other	(943,532)	466,678	520,922	(328,829)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>27,487,853</b>	<b>12,196,289</b>	<b>(69,316)</b>	<b>1,805,109</b>
<b>Plan Fiduciary Net Position beginning</b>	<b>111,819,507</b>	<b>99,623,218</b>	<b>99,692,534</b>	<b>97,887,425</b>
<b>Plan Fiduciary Net Position ending</b>	<b>\$ 139,307,360</b>	<b>\$ 111,819,507</b>	<b>\$ 99,623,218</b>	<b>\$ 99,692,534</b>
<b>Employer Net Pension Liability</b>	<b>\$ 5,633,344</b>	<b>\$ 13,379,994</b>	<b>\$ 19,865,323</b>	<b>\$ 11,172,573</b>
<b>Plan Fiduciary Net Position as a percentage of the Total Pension Liability</b>	<b>96.11%</b>	<b>89.31%</b>	<b>83.37%</b>	<b>89.92%</b>
<b>Covered Employee Payroll</b>	<b>20,525,788</b>	<b>19,360,321</b>	<b>18,743,450</b>	<b>18,925,302</b>
<b>Employer's Net Pension Liability as a percentage of covered employee payroll</b>	<b>27.45%</b>	<b>69.11%</b>	<b>105.99%</b>	<b>59.04%</b>

\*Information for prior years is not available; ultimately ten fiscal years will be displayed.

\*\*The City previously administered a closed Firemen's Pension Fund Plan. With the passing of H.B. 1443 (2016), the City chose to move the closed pension plan to LAGERS. These contributions are the assets of the closed Firemen's Pension Fund Plan that were moved to LAGERS as part of the transition.

City of Jefferson  
Required Supplementary Information  
October 31, 2018

**SCHEDULE OF CONTRIBUTIONS  
Last 10 Fiscal Years**

<u>FY Ending October 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to the Actuarially Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2009	2,431,629	2,431,629	-	15,041,959	16.17%
2010	2,551,098	2,551,099	(1)	15,597,209	16.36%
2011	4,209,701	3,853,552	356,149	18,357,823	20.99%
2012	4,694,853	4,519,117	175,736	19,559,948	23.10%
2013	4,717,432	4,619,170	98,262	19,309,118	23.92%
2014	4,514,653	4,514,653	-	19,142,454	23.58%
2015	4,374,480	4,374,479	1	19,167,837	22.82%
2016	4,105,940	4,058,398	47,542	18,849,419	21.53%
2017	4,292,416	4,288,511	3,905	20,169,748	21.26%
2018	4,521,484	4,284,209	237,275	20,912,401	20.49%

**NOTES TO THE SCHEDULE OF CONTRIBUTIONS**

**Valuation Date:** 2/28/18

**Notes:** The roll-forward of total pension liability from February 28, 2018 to June 30, 2018 reflects expected service cost and interest reduced by actual benefit payments.

**Methods and assumptions used to determine contribution rates:**

**Actuarial Cost Method** Entry Age Normal and Modified Terminal Funding

**Amortization Method** A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period or (ii) 15 years.

**Remaining Amortization Period** General Division: Multiple bases from 13 to 15 years  
Police Division: Multiple bases from 11 to 15 years  
Fire Division: Multiple bases from 12 to 21 years

**Asset Valuation Method** 5-Year smoothed market; 20% corridor

**Inflation** 3.25% wage inflation; 2.5% price inflation

**Salary Increases** General & Police Divisions: 3.25% to 6.55% including wage inflation  
Fire Division: 3.25% to 7.15% 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 used 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** None

City of Jefferson  
 Required Supplementary Information  
 October 31, 2018

**Schedule of Changes in Total OPEB Liability and Related Ratios  
 For the Current Fiscal Year\***

	<b>2018</b>
<i>Fiscal year ending October 31,</i>	
<b>Total OPEB Liability</b>	
Service Cost	\$ 77,397
Interest on the Total OPEB Liability	68,428
Assumption Changes	(69,792)
Benefit Payments	(75,347)
<b>Net Change in Total OPEB Liability</b>	686
<b>Total OPEB Liability beginning</b>	1,792,387
<b>Total OPEB Liability ending</b>	\$ 1,793,073
<b>Plan Fiduciary Net Position</b>	
Contributions-employer	\$ 75,347
Benefit Payments	(75,347)
<b>Net Change in Plan Fiduciary Net Position</b>	-
<b>Plan Fiduciary Net Position beginning</b>	-
<b>Plan Fiduciary Net Position ending</b>	\$ -
<b>Total OPEB Liability</b>	\$ 1,793,073
<b>Plan Fiduciary Net Position as a percentage of the Total OPEB Liability</b>	0.00%
<b>Covered Employee Payroll</b>	17,831,599
<b>Total OPEB Liability as a percentage of covered employee payroll</b>	10.06%

**Notes to Schedule:**

*Assumption Changes*

Changes of assumptions reflect the effects of changes in the discount rate each period.  
 The following are the discount rates used each period:

2018 3.97%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

**\*Information for prior years is not available; ultimately ten fiscal years will be displayed.**



**CITY OF JEFFERSON, MISSOURI**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended October 31, 2018**

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	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Sales and other user taxes	\$ 13,787,000	\$ 13,787,000	\$ 13,887,540	\$ 100,540
Property taxes	5,406,399	5,406,399	5,484,475	78,076
Utility/Franchise taxes	7,430,000	7,552,829	7,687,404	134,575
Licenses, permits and fees	800,700	800,700	911,495	110,795
Intergovernmental	1,978,165 *	2,409,345	1,165,834	(1,243,511)
Charges for services	2,764,832	2,764,832	2,850,120	85,288
Fines and forfeitures	894,100	894,100	780,531	(113,569)
Investment earnings	121,062	121,062	166,739	45,677
Miscellaneous	395,863	400,188	444,482	44,294
Total revenues	<u>33,578,121</u>	<u>34,136,455</u>	<u>33,378,620</u>	<u>(757,835)</u>
<b>EXPENDITURES</b>				
General government:				
Mayor and council	119,660	119,660	113,961	5,699
City clerk	136,098	135,969	127,811	8,158
City administrator	291,907	291,779	277,008	14,771
City counselor	333,012 *	330,890	324,111	6,779
Municipal court	269,931	271,474	248,302	23,172
Human Resources	308,733	308,475	294,980	13,495
Finance department	937,945	946,195	870,155	76,040
Non-departmental	1,017,807 *	1,645,401	1,309,594	335,807
Entitlement Grant	471,964 *	545,148	186,432	358,716
Information Systems Technology/GIS	1,043,147	1,033,997	989,585	44,412
Public safety:				
Police	10,829,246 *	11,070,510	10,704,944	365,566
Fire	7,706,393 *	7,867,207	7,518,926	348,281
Planning & Protective Services:				
Administration	259,850	260,057	260,034	23
Planning	165,376	208,855	201,754	7,101
Metropolitan Planning Organization	388,656 *	294,383	191,538	102,845
Redevelopment & Grants	278,677 *	346,612	218,434	128,178
Environmental Health	508,856	514,599	511,769	2,830
Prop Maintenance/Code Enforcement	366,090 *	380,833	328,422	52,411
Building Regulations	480,719	480,398	474,607	5,791
Public Works:				
Central maintenance	1,051,908	1,111,329	1,109,667	1,662
Administration	378,471	378,214	368,090	10,124
Engineering	1,190,203	1,189,237	1,178,187	11,050
Streets	3,268,946 *	3,696,852	3,695,633	1,219
Capital Projects	3,781,089 *	3,616,556	1,106,173	2,510,383
Total expenditures	<u>35,584,684</u>	<u>37,044,630</u>	<u>32,610,117</u>	<u>4,434,513</u>
Excess of revenues over expenditures	<u>(2,006,563)</u>	<u>(2,908,175)</u>	<u>768,503</u>	<u>3,676,678</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of assets	45,000	45,000	102,088	57,088
Transfers in	24,024	24,024	24,102	78
Transfers out	<u>(1,248,989)</u>	<u>(1,248,989)</u>	<u>(1,248,989)</u>	<u>-</u>
Total other financing sources and uses	<u>(1,179,965)</u>	<u>(1,179,965)</u>	<u>(1,122,799)</u>	<u>57,166</u>
Net change in fund balance	<u>(3,186,528)</u>	<u>(4,088,140)</u>	<u>(354,296)</u>	<u>3,733,844</u>
Fund balances-beginning	<u>10,310,434</u>	<u>10,310,434</u>	<u>10,310,434</u>	<u>-</u>
Fund balances-ending	<u>\$ 7,123,906</u>	<u>\$ 6,222,294</u>	<u>\$ 9,956,138</u>	<u>\$ 3,733,844</u>

\* Includes Grants/Capital Projects Reappropriated:

Law Professional Services	14,055	Mo American Water Tariff Case
Non-Dept Professional Services	47,600	Central Mo Multi-modal port
Non-Dept Public Art	6,740	
PPS-CDBG (149)	259,127	
Fire - Grants	89,187	
Fire - Bldg & Grounds Maint	106,785	
Police Grants	84,892	
PPS-MPO	30,000	
PPS-Redev & Grants (NSP)	47,097	
PPS-Prop Maint/Code Enforcement	34,800	computer hardware & software
PW-Streets	91,000	replace F550 plow truck & 3/4 ton pickup
Fire Station #2-990	1,221,035	
Downtown Streetscape-990	637,800	
Stormwater Improvements-990	750,000	
Ongoing Infrastructure/Facility Needs-990	276,715	
Clark Avenue grant-990	93,658	
S. Lincoln Street-990	323,316	
Mo Blvd 1400-1800 Block-990	278,564	
Total Grants Reappropriated	<u>\$ 4,392,372</u>	

**CITY OF JEFFERSON, MISSOURI**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Parks Fund**  
**For the Year Ended October 31, 2018**

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	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Sales and other user taxes	\$ 5,125,000	\$ 5,125,000	\$ 5,554,002	\$ 429,002
Intergovernmental	-	91,714	75,681	(16,033)
Charges for services	2,178,704	2,178,704	2,391,800	213,096
Investment earnings	45,000	45,000	84,361	39,361
Miscellaneous	100,950	100,950	133,429	32,479
Total revenues	<u>7,449,654</u>	<u>7,541,368</u>	<u>8,239,273</u>	<u>697,905</u>
<b>EXPENDITURES</b>				
Cultural and recreation:				
Parks administration	960,088	1,029,410	1,021,026	8,384
Ice arena	787,689	851,568	827,733	23,835
Golf course	752,871	772,498	681,547	90,951
Memorial pool	311,929	344,754	340,537	4,217
Ellis Porter pool	203,299	221,315	205,389	15,926
Parks maintenance	2,373,910	2,277,359	1,943,655	333,704
Parks and recreation	1,461,713	1,458,209	1,342,488	115,721
Multipurpose building	403,460	641,697	592,079	49,618
Capital outlay-projects	342,355 *	1,006,174	322,188	683,986
Total expenditures	<u>7,597,314</u>	<u>8,602,984</u>	<u>7,276,642</u>	<u>1,326,342</u>
Excess of revenues over expenditures	<u>(147,660)</u>	<u>(1,061,616)</u>	<u>962,631</u>	<u>2,024,247</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of assets	10,000	10,000	103,455	93,455
Total other financing sources and uses	<u>10,000</u>	<u>10,000</u>	<u>103,455</u>	<u>93,455</u>
Net change in fund balance	(137,660)	(1,051,616)	1,066,086	2,117,702
Fund balances-beginning	4,653,567	4,653,567	4,653,567	-
Fund balances-ending	<u>\$ 4,515,907</u>	<u>\$ 3,601,951</u>	<u>\$ 5,719,653</u>	<u>\$ 2,117,702</u>
* Includes Capital Projects Reappropriated: Parks capital projects	\$ 220,285			

**City of Jefferson**  
**Notes to the Required Supplementary Information**  
**October 31, 2018**

**Budgetary Information**

*Budgetary basis of accounting*

The City Administrator is responsible for preparing the annual operating and five-year capital budgets for all City operations and agencies for the Mayor's review, consideration and recommendation to the Council. The process begins at the department level in March and ends with adoption on or before October 31 of each year. The Mayor's proposed budget can only be adopted by majority action of the Council which must hold at least one public hearing prior to enactment. Controls are maintained to ensure compliance with the annual adopted budget which, in turn, must comply with state constitutional and statutory limits on tax levies. Budgetary control is maintained at the departmental level with transfers between departments requiring City Administrator approval and supplemental appropriations requiring Council approval.

Budgets are prepared on a basis consistent with generally accepted accounting principles and are adopted for all revenues and expenditures/expenses of all funds.

Project budgets are adopted for the Capital Improvement Tax funds and for capital projects in the Grant, Parks, and Wastewater funds. Capital project budgets also include the continuing appropriations which represent the remaining balance carried forward from the prior year. Except for project or grant budgets, any remaining unencumbered appropriations lapse at the fiscal year end.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is utilized in the governmental fund types. Encumbrances are carried forward as reservations of fund balance and do not constitute expenditures or liabilities because the commitments will be honored during the next year.

*Excess of expenditures over appropriations*

For the year ended October 31, 2018 there were no departments (the legal level of budgetary control) in the governmental funds where expenditures exceeded appropriations.

## **SUPPLEMENTAL FINANCIAL STATEMENTS AND SCHEDULES**

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The supplemental financial presentation contains data beyond what is included in the government and proprietary financial statements for nonmajor funds. This data is presented to provide additional financial information in order to better inform the users of the financial statements.

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## NON-MAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

**Police Training Fund** - Proceeds from a portion of Municipal Court costs are set aside for training activities for police officers.

**Lodging Tax Fund** - Accounts for the collection of the City's 7% Lodging Tax. Proceeds go to the Jefferson City's Convention and Visitors Bureau (a discretely presented component unit) to promote tourism and economic development and to the Conference Center Fund for the future development of a conference center.

**JC Veterans Plaza Trust Fund** - Accounts for the proceeds of the sale of commemorative bricks or donations and expenditures for the cost, engraving and placement of the commemorative bricks and plaques; and the cost of maintenance and repair of the Veteran's Plaza.

**City Hall Art Trust Fund** - Provides art works in the John G. Christy Municipal (City Hall) building from proceeds of Sidney Larson's prints of the City Hall mural and proceeds from Jefferson City Police Department History books and local history books and/or donations.

**USS Jefferson City Submarine** - Accounts for private donations raised during the commissioning of the U.S. Navy ship that are used for crew events and promotions under the direction of a city appointed committee.

**Woodland Cemetery** - Accounts for private donations which include funds transferred from Exchange National Bank in 2000 from the Woodland Cemetery Trust Fund.

**CITY OF JEFFERSON, MISSOURI**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**October 31, 2018**

	Special Revenue Funds						Total
	Police Training	Lodging Tax	JC Vet Plaza Trust	City Hall Art Trust	USS Submarine Trust	Woodland Cemetery Trust	Nonmajor Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 58,059	\$ 140,996	\$ 134,694	\$ 19,570	\$ 13,568	\$ 39,823	\$ 406,710
Receivables (net of allowance for uncollectibles):							
Taxes and franchise fees	-	130,250	-	-	-	-	130,250
Inventories	-	-	-	1,214	-	-	1,214
Total assets	\$ 58,059	\$ 271,246	\$ 134,694	\$ 20,784	\$ 13,568	\$ 39,823	\$ 538,174
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	-	228,394	3,536	-	-	400	232,330
Total liabilities	-	228,394	3,536	-	-	400	232,330
<b>FUND BALANCES</b>							
<b>Nonspendable:</b>							
Inventories	-	-	-	1,214	-	-	1,214
<b>Restricted:</b>	58,059	42,852	131,158	19,570	13,568	39,423	304,630
Total fund balances	58,059	42,852	131,158	20,784	13,568	39,423	305,844
Total liabilities and fund balances	\$ 58,059	\$ 271,246	\$ 134,694	\$ 20,784	\$ 13,568	\$ 39,823	\$ 538,174

**CITY OF JEFFERSON, MISSOURI**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended October 31, 2018**

	Special Revenue Funds							Total Nonmajor Governmental Funds
	Police Training	Lodging Tax	JC Vet Plaza Trust	City Hall Art Trust	USS Submarine Trust	Woodland Cemetery Trust	Total	
<b>REVENUES</b>								
Sales and other user taxes	\$ -	\$ 1,214,585	\$ -	\$ -	\$ -	\$ -	\$ 1,214,585	
Intergovernmental	5,215	-	-	-	-	-	5,215	
Fines and forfeitures	11,800	-	-	-	-	-	11,800	
Investment earnings	853	2,126	2,370	343	242	765	6,699	
Contributions	-	-	-	84	-	1,525	1,609	
Total revenues	<u>17,868</u>	<u>1,216,711</u>	<u>2,370</u>	<u>427</u>	<u>242</u>	<u>2,290</u>	<u>1,239,908</u>	
<b>EXPENDITURES</b>								
Current:								
General Government	-	1,192,865	3,536	63	3,849	6,260	1,206,573	
Public safety	441	-	-	-	-	-	441	
Total expenditures	<u>441</u>	<u>1,192,865</u>	<u>3,536</u>	<u>63</u>	<u>3,849</u>	<u>6,260</u>	<u>1,207,014</u>	
Excess (deficiency) of revenues over expenditures	<u>17,427</u>	<u>23,846</u>	<u>(1,166)</u>	<u>364</u>	<u>(3,607)</u>	<u>(3,970)</u>	<u>32,894</u>	
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers out	-	(24,102)	-	-	-	-	(24,102)	
Total other financing sources and uses	<u>-</u>	<u>(24,102)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(24,102)</u>	
Net change in fund balances	17,427	(256)	(1,166)	364	(3,607)	(3,970)	8,792	
Fund balances-beginning	40,632	43,108	132,324	20,420	17,175	43,393	297,052	
Fund balances-ending	<u>\$ 58,059</u>	<u>\$ 42,852</u>	<u>\$ 131,158</u>	<u>\$ 20,784</u>	<u>\$ 13,568</u>	<u>\$ 39,423</u>	<u>\$ 305,844</u>	

**CITY OF JEFFERSON, MISSOURI**  
**Budgetary Comparison Schedule**  
**Police Training Fund**  
**For the Year Ended October 31, 2018**

I-1

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Budgetary fund balance, November 1</b>	\$ 36,318	\$ 36,318	\$ 36,318	
<b>Resources (inflows):</b>				
Intergovernmental	-	-	5,220	\$ 5,220
Fines and forfeitures	10,000	10,000	12,175	2,175
Investment earnings	800	800	717	(83)
Amounts available for appropriation	<u>47,118</u>	<u>47,118</u>	<u>54,430</u>	<u>7,312</u>
<b>Charges to appropriations (outflows):</b>				
Current:				
Public Safety	29,991	29,991	13,798	16,193
Total charges to appropriations	<u>29,991</u>	<u>29,991</u>	<u>13,798</u>	<u>16,193</u>
<b>Budgetary fund balance, October 31</b>	<u>\$ 17,127</u>	<u>\$ 17,127</u>	<u>\$ 40,632</u>	<u>\$ 23,505</u>

**CITY OF JEFFERSON, MISSOURI**  
**Budgetary Comparison Schedule**  
**Lodging Tax Fund**  
**For the Year Ended October 31, 2018**

I-2

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Budgetary fund balance, November 1</b>	\$ 43,108	\$ 43,108	\$ 43,108	
<b>Resources (inflows):</b>				
Taxes	1,111,200	1,111,200	1,214,585	\$ 103,385
Investment earnings	1,800	1,800	2,126	326
Amounts available for appropriation	<u>1,156,108</u>	<u>1,156,108</u>	<u>1,259,819</u>	<u>103,711</u>
<b>Charges to appropriations (outflows):</b>				
Tourism and economic development:				
Other	1,088,976	1,088,976	1,192,865	(103,889)
Transfers out	24,024	24,024	24,102	(78)
Total charges to appropriations	<u>1,113,000</u>	<u>1,113,000</u>	<u>1,216,967</u>	<u>(103,967)</u>
<b>Budgetary fund balance, October 31</b>	<u>\$ 43,108</u>	<u>\$ 43,108</u>	<u>\$ 42,852</u>	<u>\$ (256)</u>



**CITY OF JEFFERSON, MISSOURI**  
**Budgetary Comparison Schedule**  
**JC Veterans Plaza Trust**  
**For the Year Ended October 31, 2018**

I-3

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Budgetary fund balance, November 1</b>	\$ 132,324	\$ 132,324	\$ 132,324	
<b>Resources (inflows):</b>				
Investment earnings	2,000	2,000	2,370	\$ 370
Amounts available for appropriation	<u>134,324</u>	<u>134,324</u>	<u>134,694</u>	<u>370</u>
<b>Charges to appropriations (outflows):</b>				
Current:				
Maintenance	1,800	6,800	3,536	3,264
Capital outlays	200	200	-	200
Total charges to appropriations	<u>2,000</u>	<u>7,000</u>	<u>3,536</u>	<u>3,464</u>
<b>Budgetary fund balance, October 31</b>	<u>\$ 132,324</u>	<u>\$ 127,324</u>	<u>\$ 131,158</u>	<u>\$ 3,834</u>

**CITY OF JEFFERSON, MISSOURI**  
**Budgetary Comparison Schedule**  
**City Hall Art Trust Fund**  
**For the Year Ended October 31, 2018**

I-4

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Budgetary fund balance, November 1</b>	\$ 20,420	\$ 20,420	\$ 20,420	
<b>Resources (inflows):</b>				
Investment earnings	450	450	343	\$ (107)
Contributions	-	-	84	84
Amounts available for appropriation	<u>20,870</u>	<u>20,870</u>	<u>20,847</u>	<u>(23)</u>
<b>Charges to appropriations (outflows):</b>				
Special projects:				
History Books	-	-	63	(63)
Total charges to appropriations	<u>-</u>	<u>-</u>	<u>63</u>	<u>(63)</u>
<b>Budgetary fund balance, October 31</b>	<u>\$ 20,870</u>	<u>\$ 20,870</u>	<u>\$ 20,784</u>	<u>\$ (86)</u>

**CITY OF JEFFERSON, MISSOURI**  
**Budgetary Comparison Schedule**  
**USS JC Submarine Fund**  
**For the Year Ended October 31, 2018**

I-5

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Budgetary fund balance, November 1</b>	\$ 17,175	\$ 17,175	\$ 17,175	
<b>Resources (inflows):</b>				
Investment earnings	300	300	242	\$ (58)
Amounts available for appropriation	<u>17,475</u>	<u>17,475</u>	<u>17,417</u>	<u>(58)</u>
<b>Charges to appropriations (outflows):</b>				
Current:				
Other	-	-	3,849	(3,849)
Total charges to appropriations	<u>-</u>	<u>-</u>	<u>3,849</u>	<u>(3,849)</u>
<b>Budgetary fund balance, October 31</b>	<u>\$ 17,475</u>	<u>\$ 17,475</u>	<u>\$ 13,568</u>	<u>\$ (3,907)</u>

**CITY OF JEFFERSON, MISSOURI**  
**Budgetary Comparison Schedule**  
**Woodland Cemetery Fund**  
**For the Year Ended October 31, 2018**

I-6

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Budgetary fund balance, November 1</b>	\$ 43,393	\$ 43,393	\$ 43,393	
<b>Resources (inflows):</b>				
Investment earnings	700	700	765	\$ 65
Contributions	-	1,525	1,525	-
Amounts available for appropriation	<u>44,093</u>	<u>45,618</u>	<u>45,683</u>	<u>65</u>
<b>Charges to appropriations (outflows):</b>				
Cemetery Maintenance	5,000	6,525	6,260	265
Total charges to appropriations	<u>5,000</u>	<u>6,525</u>	<u>6,260</u>	<u>265</u>
<b>Budgetary fund balance, October 31</b>	<u>\$ 39,093</u>	<u>\$ 39,093</u>	<u>\$ 39,423</u>	<u>\$ 330</u>

## **NON-MAJOR ENTERPRISE FUNDS**

Enterprise funds account for operations that are financed and operated in a manner similar to private enterprises, where the intent of the City is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the City has decided that periodic determination of net income is appropriate for accountability purposes.

**Airport** - Accounts for the operations of the City owned airport facility in north Jefferson City.

**Parking** - Accounts for the operations of a 542 car parking garage on the southeast corner of Madison Street and Capitol Avenue, the parking garage on the Jefferson lot, 13 reserved parking lots, 5 metered lots, and 846 on street parking meters, including collection and enforcement.

**CITY OF JEFFERSON, MISSOURI**  
**Combining Statement of Net Position**  
**Nonmajor Proprietary Funds**  
**October 31, 2018**

H-3

	<b>Business-type Activities</b>		
	<b>Airport</b>	<b>Parking</b>	<b>Totals</b>
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 44,579	\$ 4,636,240	\$ 4,680,819
Receivables (net of allowance for uncollectibles):			
Accounts	28,417	27,668	56,085
Receivables from other governments	114,355	-	114,355
Prepaid Items	2,728	3,739	6,467
Total current assets	<u>190,079</u>	<u>4,667,647</u>	<u>4,857,726</u>
Noncurrent assets:			
Restricted assets:			
Net pension asset	87,109	246,917	334,026
Capital assets:			
Land	2,318,767	1,868,267	4,187,034
Improvements other than buildings	14,098,875	249,343	14,348,218
Buildings and equipment	749,893	5,957,018	6,706,911
Less accumulated depreciation	<u>(6,627,395)</u>	<u>(5,867,502)</u>	<u>(12,494,897)</u>
Total noncurrent assets	<u>10,627,249</u>	<u>2,454,043</u>	<u>13,081,292</u>
Total assets	<u>10,817,328</u>	<u>7,121,690</u>	<u>17,939,018</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred outflows related to pensions	9,201	28,397	37,598
Total deferred outflows of resources	<u>9,201</u>	<u>28,397</u>	<u>37,598</u>
<b>LIABILITIES:</b>			
Current liabilities:			
Accounts payable	26,218	4,098	30,316
Retainage payable	1,726	-	1,726
Accrued liabilities	6,155	13,146	19,301
Deposits	500	560	1,060
Compensated Absences	4,080	4,124	8,204
Unearned revenue	-	49,403	49,403
Total current liabilities	<u>38,679</u>	<u>71,331</u>	<u>110,010</u>
Noncurrent liabilities:			
Compensated absences	41,255	41,703	82,958
Net OPEB liability	12,061	30,153	42,214
Total noncurrent liabilities	<u>53,316</u>	<u>71,856</u>	<u>125,172</u>
Total liabilities	<u>91,995</u>	<u>143,187</u>	<u>235,182</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred inflows related to pensions	45,373	105,080	150,453
Deferred inflows related to OPEB	424	1,061	1,485
Total deferred inflows of resources	<u>45,797</u>	<u>106,141</u>	<u>151,938</u>
<b>NET POSITION:</b>			
Net investment in capital assets	10,540,140	2,207,127	12,747,267
Restricted for:			
Pensions/OPEB	38,453	139,020	177,473
Unrestricted	110,144	4,554,612	4,664,756
Total net position	<u>\$ 10,688,737</u>	<u>\$ 6,900,759</u>	<u>\$ 17,589,496</u>

**CITY OF JEFFERSON, MISSOURI**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Nonmajor Proprietary Funds**  
**For the Year Ended October 31, 2018**

H-4

	<b>Business-type Activities</b>		
	<b>Airport</b>	<b>Parking</b>	<b>Totals</b>
<b>Operating Revenues:</b>			
Charges for services	\$ 160,186	\$ 1,122,039	\$ 1,282,225
Miscellaneous	-	31,217	31,217
Total operating revenues	<u>160,186</u>	<u>1,153,256</u>	<u>1,313,442</u>
<b>Operating Expenses:</b>			
Personnel services	201,754	458,173	659,927
Contractual services	168,732	208,154	376,886
Material and supplies	34,848	20,513	55,361
Repairs and maintenance	47,814	117,931	165,745
Utilities	31,993	21,450	53,443
Depreciation	935,225	77,224	1,012,449
Other operating	147,509	-	147,509
Total operating expenses	<u>1,567,875</u>	<u>903,445</u>	<u>2,471,320</u>
Operating income (loss)	<u>(1,407,689)</u>	<u>249,811</u>	<u>(1,157,878)</u>
<b>Nonoperating revenue (expenses):</b>			
Intergovernmental	48,064	-	48,064
Interest and investment revenue	2,879	77,547	80,426
Sales of assets (Loss on sale)	17	-	17
Total nonoperating revenues (expenses)	<u>50,960</u>	<u>77,547</u>	<u>128,507</u>
Income (loss) before capital contributions and transfers	<u>(1,356,729)</u>	<u>327,358</u>	<u>(1,029,371)</u>
Capital contributions	128,779	-	128,779
Transfers in	263,131	-	263,131
Change in net position	<u>(964,819)</u>	<u>327,358</u>	<u>(637,461)</u>
Net position-beginning	11,663,427	6,598,083	18,261,510
Prior period adjustment	(9,871)	(24,682)	(34,553)
Total net position - beginning, as restated	<u>11,653,556</u>	<u>6,573,401</u>	<u>18,226,957</u>
Net position-ending	<u>\$ 10,688,737</u>	<u>\$ 6,900,759</u>	<u>\$ 17,589,496</u>

**CITY OF JEFFERSON, MISSOURI**  
**Combining Statement of Cash Flows**  
**Non-major Proprietary Funds**  
**For the Year Ended October 31, 2018**

H-5

	<b>Business-type Activities</b>		
	<b>Airport</b>	<b>Parking</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 159,970	\$ 1,152,110	\$ 1,312,080
Payments to suppliers	(493,054)	(374,087)	(867,141)
Payments to employees	(196,739)	(445,921)	(642,660)
Net cash provided (used) by operating activities	<u>(529,823)</u>	<u>332,102</u>	<u>(197,721)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Operating subsidies and transfers from other funds	263,131	-	263,131
Operating subsidies from other governments	17,270	-	17,270
Net cash provided (used) by noncapital financing activities	<u>280,401</u>	<u>-</u>	<u>280,401</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Capital grants	128,779	-	128,779
Purchases of capital assets	-	(60,965)	(60,965)
Sale of assets	17	-	17
Net cash provided (used) by capital and related financing activities	<u>128,796</u>	<u>(60,965)</u>	<u>67,831</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends	2,878	77,547	80,425
Net cash provided (used) by investing activities	<u>2,878</u>	<u>77,547</u>	<u>80,425</u>
Net increase (decrease) in cash and cash equivalents	(117,748)	348,684	230,936
Balances-beginning of the year	162,327	4,287,556	4,449,883
Balances-end of the year	<u>\$ 44,579</u>	<u>\$ 4,636,240</u>	<u>\$ 4,680,819</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (1,407,689)	\$ 249,811	\$ (1,157,878)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	935,225	77,224	1,012,449
Change in assets, deferred outflows, deferred inflows, and liabilities:			
Receivables, net	(216)	(4,793)	(5,009)
Prepaid items	(84)	(181)	(265)
Deferred outflows	30,128	63,555	93,683
Accounts and other payables	(112,205)	(106,456)	(218,661)
Deferred inflows	25,018	52,942	77,960
Net cash provided (used) by operating activities	<u>\$ (529,823)</u>	<u>\$ 332,102</u>	<u>\$ (197,721)</u>

## INTERNAL SERVICE FUNDS

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Internal service funds account for the Self-Insurance Workers Compensation Fund and the Self-Funded Health Insurance Fund.

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**Worker's Compensation** - This is a self-insured fund established in 1991 to directly pay for on-the-job or job related sickness and injuries. The plan was implemented as a cost containment measure in lieu of using the State of Missouri fund or private insurance.

**Self-Funded Health Insurance** - This is a self-insured fund established in 2016 to self-fund the health insurance program offered to City employees. Costs of the program are accounted for in an Internal Service Fund, in which services provided under the health insurance program are billed to the funds benefiting from the service.

## FIDUCIARY FUNDS

### AGENCY FUND

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The agency fund is a clearing account for tax increment financing.

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**TIF Fund** - The Tax Increment Financing (TIF) fund is a clearing account for tax increment financing for redevelopment and community projects. TIF is an economic development program used to encourage commercial and real estate development and redevelopment. TIF provides financial incentives to spur private investment that otherwise would not occur.

**CITY OF JEFFERSON, MISSOURI**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**October 31, 2018**

H-6

	<b>Worker's Compensation</b>	<b>Self-Funded Health Insurance</b>	<b>Total Internal Service Funds</b>
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 122,116	\$ 1,218,569	\$ 1,340,685
Receivables (net of allowance for uncollectibles):			
Accounts	277	110,944	111,221
Total current assets	122,393	1,329,513	1,451,906
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	200,000	-	200,000
Total noncurrent assets	200,000	-	200,000
Total assets	322,393	1,329,513	1,651,906
<b>LIABILITIES:</b>			
Current liabilities:			
Accounts payable	189	525,814	526,003
Claims & Judgments	214,079	-	214,079
Total current liabilities	214,268	525,814	740,082
Total liabilities	214,268	525,814	740,082
<b>NET POSITION:</b>			
Unrestricted	108,125	803,699	911,824
Total net position	\$ 108,125	\$ 803,699	\$ 911,824



**CITY OF JEFFERSON, MISSOURI**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended October 31, 2018**

H-7

	<b>Worker's Compensation</b>	<b>Self-Funded Health Insurance</b>	<b>Total Internal Service Funds</b>
<b>Operating Revenues:</b>			
Miscellaneous	\$ 400	\$ 7,615	\$ 8,015
Premiums	550,000	3,519,548	4,069,548
Total operating revenues	<u>550,400</u>	<u>3,527,163</u>	<u>4,077,563</u>
<b>Operating Expenses:</b>			
Contractual services	230,806	-	230,806
Claims Expense	201,800	3,368,631	3,570,431
Material and supplies	240	-	240
Other operating	-	2,120	2,120
Total operating expenses	<u>432,846</u>	<u>3,370,751</u>	<u>3,803,597</u>
Operating income (loss)	<u>117,554</u>	<u>156,412</u>	<u>273,966</u>
<b>Nonoperating revenue (expenses):</b>			
Interest and investment revenue	<u>6,518</u>	<u>16,028</u>	<u>22,546</u>
Total nonoperating revenues (expenses)	<u>6,518</u>	<u>16,028</u>	<u>22,546</u>
Income (loss) before capital contributions and transfers	<u>124,072</u>	<u>172,440</u>	<u>296,512</u>
Change in net position	124,072	172,440	296,512
Net position-beginning (deficit)	<u>(15,947)</u>	<u>631,259</u>	<u>615,312</u>
Net position-ending (deficit)	<u>\$ 108,125</u>	<u>\$ 803,699</u>	<u>\$ 911,824</u>

**CITY OF JEFFERSON, MISSOURI**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended October 31, 2018**

H-8

	<b>Worker's Compensation</b>	<b>Self-Funded Health Insurance</b>	<b>Total Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Services provided to other funds	\$ 550,123	\$ 3,418,412	\$ 3,968,535
Payments to suppliers	(231,086)	398,228	167,142
Claims paid	(299,860)	(3,368,631)	(3,668,491)
Net cash provided (used) by operating activities	<u>19,177</u>	<u>448,009</u>	<u>467,186</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends	6,518	16,028	22,546
Net cash provided (used) by investing activities	<u>6,518</u>	<u>16,028</u>	<u>22,546</u>
Net increase (decrease) in cash and cash equivalents	25,695	464,037	489,732
Balances-beginning of the year	96,421	754,532	850,953
Balances-end of the year	<u>\$ 122,116</u>	<u>\$ 1,218,569</u>	<u>\$ 1,340,685</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ 117,554	\$ 156,412	\$ 273,966
Change in assets, deferred outflows, deferred inflows, and liabilities:			
Receivables, net	(277)	(108,751)	(109,028)
Accounts and other payables	(98,100)	400,348	302,248
Net cash provided (used) by operating activities	<u>\$ 19,177</u>	<u>\$ 448,009</u>	<u>\$ 467,186</u>

**CITY OF JEFFERSON, MISSOURI**  
**Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Year Ended October 31, 2018**

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	<b>TIF FUND</b>			<b>Balance October 31, 2018</b>
	<b>Balance October 31, 2017</b>	<b>Additions</b>	<b>Deletions</b>	
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 21,550	\$ 449,618	\$ 447,525	\$ 23,643
Receivables (net of allowance for uncollectibles):				
Accounts	81,238	85,586	81,238	85,586
Due from other governments	1,060	16,619	17,679	-
Total receivables	<u>82,298</u>	<u>102,205</u>	<u>98,917</u>	<u>85,586</u>
Total assets	<u>\$ 103,848</u>	<u>\$ 551,823</u>	<u>\$ 546,442</u>	<u>\$ 109,229</u>
<b>LIABILITIES:</b>				
Due to other entities	\$ 103,848	532,269	\$ 537,650	\$ 109,229
Total liabilities	<u>\$ 103,848</u>	<u>\$ 532,269</u>	<u>\$ 537,650</u>	<u>\$ 109,229</u>

**CAPITAL ASSETS  
USED IN THE OPERATION  
OF GOVERNMENT FUNDS**

**CITY OF JEFFERSON, MISSOURI**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Comparative Schedules By Source**  
**October 31, 2018 and 2017**

J-1

Governmental funds capital assets:	<u>2018</u>	<u>2017</u>
Land	\$ 15,101,257	\$ 15,101,257
Easements	365,063	350,063
Buildings	27,452,728	27,493,468
Improvements other than buildings	15,722,248	14,912,122
Machinery and equipment	19,327,021	19,092,202
Infrastructure	194,499,709	191,916,459
Construction in progress	<u>6,894,909</u>	<u>6,415,851</u>
Total governmental funds capital assets	<u>\$ 279,362,935</u>	<u>\$ 275,281,422</u>
Investments in governmental funds capital assets by source:		
General and capital projects funds	\$ 203,450,544	\$ 201,029,223
Special revenue fund	34,343,804	33,540,262
Annexation	15,109,175	15,109,175
Donations	<u>26,459,412</u>	<u>26,142,762</u>
Total governmental funds capital assets	<u>\$ 279,362,935</u>	<u>\$ 275,821,422</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position. 2017 has been restated to reflect the prior period adjustment in Note 13 in the Notes to the Financial Statements section.

**CITY OF JEFFERSON, MISSOURI**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule By Function and Activity**  
**For the Year Ended October 31, 2018**

<u>Function and Activity</u>	<u>Land</u>	<u>Easements</u>	<u>Buildings</u>	<u>Improvements Other Than Buildings</u>	<u>Machinery and Equipment</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>	<u>Total</u>
General government:								
Entitlement Grant	\$ -	\$ -	\$ -	\$ 109,470	\$ -	\$ 145,798	\$ -	\$ 255,268
Court	-	-	-	-	163,883	-	577,810	741,693
City Clerk	-	-	-	-	11,842	-	-	11,842
Finance	-	-	-	-	188,825	-	-	188,825
Information Technology Systems	-	-	-	-	963,726	324,076	-	1,287,802
Other:								
Public Buildings	1,586,165	-	3,743,211	352,551	108,333	-	-	5,790,260
Flood Land	2,574,702	-	-	-	-	-	-	2,574,702
Total general government	<u>4,160,867</u>	<u>-</u>	<u>3,743,211</u>	<u>462,021</u>	<u>1,436,609</u>	<u>469,874</u>	<u>577,810</u>	<u>10,850,392</u>
Public safety:								
Police	82,749	-	4,770,523	1,378,497	4,559,622	-	114,753	10,906,144
Fire	754,736	-	4,289,876	656,231	3,828,336	-	4,010,341	13,539,520
Total public safety	<u>837,485</u>	<u>-</u>	<u>9,060,399</u>	<u>2,034,728</u>	<u>8,387,958</u>	<u>-</u>	<u>4,125,094</u>	<u>24,445,664</u>
Community Development								
Planning	-	-	-	-	21,538	-	-	21,538
Redevelopment & Grants	49,117	-	-	-	78,500	-	-	127,617
Building Regulations	-	-	-	-	67,583	-	-	67,583
Environmental Health Services	-	-	-	24,500	64,616	-	-	89,116
Property Maintenance/Code Enforcement	-	-	-	-	85,736	-	27,742	113,478
Central Maintenance	97,287	-	337,884	-	164,496	-	-	599,667
Engineering	39,421	-	-	305,467	471,693	-	-	816,581
Streets	38,037	-	2,181,118	35,942	4,567,893	-	-	6,822,990
Land/Right-of-way under Streets	6,706,397	-	-	-	-	-	-	6,706,397
Easements	-	365,063	-	-	-	-	-	365,063
Infrastructure	-	-	-	1,326,101	-	191,324,789	1,342,155	193,993,045
Total community development	<u>6,930,259</u>	<u>365,063</u>	<u>2,519,002</u>	<u>1,692,010</u>	<u>5,522,055</u>	<u>191,324,789</u>	<u>1,369,897</u>	<u>209,723,075</u>
Cultural and recreation								
Parks and recreation	3,172,646	-	12,130,116	11,533,489	3,980,399	-	822,108	31,638,758
Infrastructure	-	-	-	-	-	2,705,046	-	2,705,046
Total cultural and recreation	<u>3,172,646</u>	<u>-</u>	<u>12,130,116</u>	<u>11,533,489</u>	<u>3,980,399</u>	<u>2,705,046</u>	<u>822,108</u>	<u>34,343,804</u>
Total governmental funds capital assets	<u>\$ 15,101,257</u>	<u>\$ 365,063</u>	<u>\$ 27,452,728</u>	<u>\$ 15,722,248</u>	<u>\$ 19,327,021</u>	<u>\$ 194,499,709</u>	<u>\$ 6,894,909</u>	<u>\$ 279,362,935</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

**CITY OF JEFFERSON, MISSOURI**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Changes By Function and Activity**  
**For the Year Ended October 31, 2018**

J-3

Function and Activity	<u>Governmental</u> <u>Funds Capital</u> <u>Assets</u> <u>November 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Governmental</u> <u>Funds Capital</u> <u>Assets</u> <u>October 31, 2018</u>
General government:				
Entitlement Grant	\$ 109,470	\$ 145,798	\$ -	\$ 255,268
Court	163,883	-	-	163,883
City Clerk	11,842	-	-	11,842
Finance	181,919	6,906	-	188,825
Information Technology Systems	915,263	48,463	-	963,726
Infrastructure	324,076	-	-	324,076
Other:				
Public buildings	5,690,672	99,588	-	5,790,260
Flood Land	2,574,702	-	-	2,574,702
Total general government	<u>9,971,827</u>	<u>300,755</u>	<u>-</u>	<u>10,272,582</u>
Public safety:				
Police	10,973,326	171,288	353,223	10,791,391
Fire	9,506,891	22,288	-	9,529,179
Total public safety	<u>20,480,217</u>	<u>193,576</u>	<u>353,223</u>	<u>20,320,570</u>
Community Development				
Planning	21,538	-	-	21,538
Redevelopment & Grants	149,156	-	21,539	127,617
Building Regulations	89,122	-	21,539	67,583
Environmental Health Services	89,116	-	-	89,116
Central Maintenance	622,774	-	23,107	599,667
Public Works-Property Maintenance	85,736	-	-	85,736
Engineering	783,542	56,145	23,106	816,581
Streets	6,577,418	451,774	206,202	6,822,990
Land/Right-of-Way under Streets	6,706,397	-	-	6,706,397
Easements	350,063	15,000	-	365,063
Infrastructure	190,213,438	2,437,452	-	192,650,890
Total community development	<u>205,688,300</u>	<u>2,960,371</u>	<u>295,493</u>	<u>208,353,178</u>
Cultural and recreation				
Parks and recreation	30,020,181	837,209	40,740	30,816,650
Infrastructure	2,705,046	-	-	2,705,046
Total cultural and recreation	<u>32,725,227</u>	<u>837,209</u>	<u>40,740</u>	<u>33,521,696</u>
Total governmental funds capital assets	<u>\$ 268,865,571</u>	<u>\$ 4,291,911</u>	<u>\$ 689,456</u>	<u>\$ 272,468,026</u>
Construction in Progress:				
General government	\$ 153,124	\$ 670,072	\$ 245,386	\$ 577,810
Parks and recreation	815,034	717,612	710,538	822,108
Streets infrastructure	1,686,651	1,791,305	2,135,801	1,342,155
Other	3,761,042	391,794	-	4,152,836
Total construction in progress	<u>\$ 6,415,851</u>	<u>\$ 3,570,783</u>	<u>\$ 3,091,725</u>	<u>\$ 6,894,909</u>
Total investment in capital assets	<u>\$ 275,281,422</u>	<u>\$ 7,862,694</u>	<u>\$ 3,781,181</u>	<u>\$ 279,362,935</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position. 2017 has been restated to reflect the prior period adjustment in Note 13 in the Notes to the Financial Statements section.

# **STATISTICAL SECTION**



# STATISTICAL SECTION

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

<b>Contents</b>	<b>Page</b>
Financial Trends	108
These schedules contain trend information to help the reader understand how the governments’s financial performance and well-being have changed over time.	
Revenue Capacity	114
These schedules contain information to help the reader assess the government’s most significant local revenue source, sales tax.	
Debt Capacity	121
These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.	
Demographic and Economic Information	126
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.	
Operating Information	128
These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**CITY OF JEFFERSON, MISSOURI**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Governmental activities</b>										
Net investment in capital assets	\$109,782,311	\$111,598,957	\$111,660,044	\$118,566,434	\$116,124,963	\$118,495,660	\$120,212,246	\$128,207,685	\$134,041,897	\$133,523,482
Restricted	8,886,831	8,964,506	16,387,142	13,801,552	14,755,634	13,836,281	15,683,571	12,582,749	12,193,858	13,596,784
Unrestricted	8,735,462	10,175,671	5,645,296	5,437,482	4,756,655	6,274,785	477,568	2,410,741	(6,728,666)	(2,909,220)
Total governmental activities net position	\$127,404,604	\$130,739,134	\$133,692,482	\$137,805,468	\$135,637,252	\$138,606,726	\$136,373,385	\$143,201,175	\$139,507,089	\$144,211,046
<b>Business-type activities</b>										
Net investment in capital assets	\$45,127,797	\$45,072,929	\$46,704,256	\$49,674,810	\$48,893,581	\$42,459,708	\$57,478,203	\$60,435,926	\$61,355,299	\$62,290,002
Restricted	4,011,050	3,501,412	2,652,493	4,577,210	2,818,846	4,211,475	7,516,969	4,227,319	4,841,393	5,958,147
Unrestricted	4,027,426	5,020,910	7,108,880	4,558,727	8,892,901	15,065,220	5,260,974	8,669,190	8,479,417	7,165,360
Total business-type activities net position	\$53,166,273	\$53,595,251	\$56,465,629	\$58,810,747	\$60,605,328	\$61,736,403	\$70,256,146*	\$73,332,435	\$74,676,109	\$75,413,509
<b>Primary government</b>										
Net investment in capital assets	\$154,910,108	\$156,671,886	\$158,364,300	\$168,241,244	\$165,018,544	\$160,955,368	\$177,690,449	\$188,643,611	\$195,397,196	\$195,813,484
Restricted	12,897,881	12,465,918	19,039,635	18,378,762	17,574,480	18,047,756	23,200,540	16,810,068	17,035,251	19,554,931
Unrestricted	12,762,888	15,196,581	12,754,176	9,996,209	13,649,556	21,340,005	5,738,542	11,079,931	1,750,751	4,256,140
Total primary government activities net position	\$180,570,877	\$184,334,385	\$190,158,111	\$196,616,215	\$196,242,580	\$200,343,129	\$206,629,531	\$216,533,610	\$214,183,198	\$219,624,555

\*The net position of business-type activities was restated to reflect the adoption of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date.

**CITY OF JEFFERSON, MISSOURI**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
Governmental activities:										
General government	\$5,828,480	\$6,172,366	\$7,829,114	\$7,343,140	\$7,615,659	\$5,977,243	\$6,090,518	\$886,115	\$10,942,357	\$6,415,042
Public safety	17,597,589	17,833,872	16,853,617	18,469,673	17,719,009	17,449,482	18,638,206	17,147,856	30,569,479	17,602,637
Community development	12,065,074	12,114,238	11,731,469	11,833,352	14,410,449	15,175,137	12,123,795	12,951,871	13,481,422	13,988,575
Cultural and recreation	5,648,792	7,026,914	6,192,969	6,722,411	5,683,676	6,638,378	6,711,667	12,105,604	2,967,251	7,430,214
Interest on long-term debt	7,317	4,499	6,391	3,262	6,672	14,605	-	-	663,853	117,133
Total governmental activities expenses	41,147,252	43,151,889	42,613,560	44,371,838	45,435,465	45,254,845	43,564,186	43,091,446	58,624,362	45,553,601
Business-type activities:										
Wastewater	7,882,375	7,839,688	8,494,201	8,715,736	9,121,900	9,626,406	10,365,892	10,834,575	11,196,930	11,189,218
Water	95,869	792	10	32	-	-	-	-	-	-
Airport	605,121	645,661	586,304	595,746	589,241	611,216	636,229	645,311	719,872	1,566,462
Parking	738,422	797,851	792,806	789,367	825,745	849,881	854,406	868,399	957,093	900,551
Transit	2,880,285	2,497,667	2,548,628	2,701,193	2,533,094	2,697,888	2,945,168	2,923,807	2,912,755	2,939,414
Total business-type activities expenses	12,202,072	11,781,659	12,421,949	12,802,074	13,069,980	13,785,391	14,801,695	15,272,092	15,786,650	16,595,645
Total primary government expenses	\$53,349,324	\$54,933,548	\$55,035,509	\$57,173,912	\$58,505,445	\$59,040,236	\$68,365,881	\$58,363,538	\$74,411,012	\$62,149,246
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$1,504,958	\$1,516,190	\$1,734,404	\$1,562,864	\$1,811,738	\$1,804,045	\$2,159,316	\$2,271,973	\$2,243,034	\$2,279,587
Public safety	1,051,800	990,988	1,130,496	1,244,519	1,403,041	1,415,712	1,435,845	1,390,273	1,299,350	1,254,158
Community development	1,067,513	1,045,210	1,164,287	1,519,309	1,024,935	805,576	768,463	835,024	943,260	1,020,201
Cultural and recreation	1,675,351	1,605,037	1,667,467	1,701,663	1,692,395	1,812,254	1,853,613	2,013,969	2,239,193	2,391,800
Operating grants and contributions	3,340,230	3,548,408	2,840,005	2,914,432	2,258,055	3,881,626	2,614,754	2,898,038	2,974,494	2,804,979
Capital grants and contributions	4,761,612	5,095,260	2,723,110	6,727,873	2,617,542	4,686,143	4,582,044	5,043,425	9,580,655	1,195,546
Total governmental activities program revenue	13,401,464	13,801,093	11,259,769	15,670,660	10,807,706	14,405,356	13,414,035	14,452,702	19,279,986	10,946,271
Business-type activities:										
Charges for services:										
Wastewater	6,181,509	6,878,914	8,243,476	9,090,009	9,288,076	9,573,325	10,155,178	10,801,343	11,171,366	11,562,862
Water	1,033	-	-	-	-	-	-	-	-	-
Airport	109,022	118,835	105,239	123,957	152,171	131,852	181,726	189,042	172,504	160,186
Parking	1,138,709	1,085,757	1,092,908	1,061,862	1,036,486	1,056,109	1,109,797	1,134,660	1,081,816	1,122,039
Transit	453,123	280,104	223,099	229,124	220,298	217,698	214,150	204,257	191,717	186,787
Operating grants and contributions	1,116,740	1,052,086	994,003	984,268	1,082,556	1,131,889	1,147,824	1,130,405	1,178,539	1,169,604
Capital grants and contributions	825,975	546,320	914,684	821,345	745,380	1,082,360	5,902,401	1,934,757	691,871	703,394
Total business-type activities program revenue	9,826,111	9,962,016	11,573,409	12,310,565	12,524,967	13,193,233	18,711,076	15,394,464	14,487,813	14,904,872
Total primary government program revenues	\$23,227,575	\$23,763,109	\$22,833,178	\$27,981,225	\$23,332,673	\$27,598,589	\$32,125,111	\$29,847,166	\$33,767,799	\$25,851,143

**CITY OF JEFFERSON, MISSOURI**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net (expense) revenue										
Governmental activities	(\$27,745,788)	(\$29,350,796)	(\$31,353,791)	(\$28,701,178)	(\$34,627,759)	(\$30,849,489)	(\$30,150,151)	(\$28,638,744)	(\$39,344,376)	(\$34,607,330)
Business-type activities	(2,375,961)	(1,819,643)	(848,540)	(491,509)	(545,013)	(592,158)	3,909,381	122,372	(1,298,837)	(1,690,773)
Total primary government net expense	(\$30,121,749)	(\$31,170,439)	(\$32,202,331)	(\$29,192,687)	(\$35,172,772)	(\$31,441,647)	(\$26,240,770)	(\$28,516,372)	(\$40,643,213)	(\$36,298,103)

**General Revenues and Other Changes in**

**Net Position**

Governmental activities:										
Taxes										
Sales taxes and other user taxes	\$18,343,705	\$19,028,515	\$19,948,674	\$20,144,663	\$20,213,180	\$21,125,412	\$22,628,475	\$23,015,744	\$23,656,655	\$23,891,622
Property taxes	5,385,549	5,075,734	5,173,275	5,176,442	5,190,439	5,135,715	5,188,759	5,214,737	5,362,603	5,420,869
Franchise/utility license taxes	7,176,662	8,805,457	7,964,817	8,170,738	7,287,504	7,669,316	7,294,904	7,258,460	7,058,070	7,687,404
Investment earnings	213,088	327,343	334,736	400,145	414,868	374,779	377,858	424,385	433,715	406,718
Miscellaneous	445,207	282,423	715,888	382,302	533,266	345,831	483,339	1,033,442	506,110	449,967
Transfers	(1,537,222)	(834,146)	(1,534,188)	(1,460,126)	(879,401)	(832,090)	(1,515,275)	(1,480,234)	(1,366,863)	(1,503,960)
Total governmental activities	30,026,969	32,685,326	32,603,202	32,814,164	32,759,856	33,818,963	34,458,060	35,466,534	35,650,290	36,352,620
Business-type activities:										
Investment earnings	1,070,864	1,376,248	1,487,173	1,433,006	1,384,525	1,335,879	1,281,939	1,187,179	1,186,959	1,057,561
Miscellaneous	69,576	38,227	102,551	(56,505)	75,668	191,996	68,769	286,504	88,689	108,529
Transfers	1,537,222	834,146	1,534,188	1,460,126	879,401	832,090	1,515,275	1,480,234	1,366,863	1,503,960
Total business-type activities	2,677,662	2,248,621	3,123,912	2,836,627	2,339,594	2,359,965	2,865,983	2,953,917	2,642,511	2,670,050
Total primary government	\$32,704,651	\$34,933,947	\$35,727,114	\$35,650,791	\$35,099,450	\$36,178,928	\$37,324,043	\$38,420,451	\$38,292,801	\$39,022,670

**Changes in Net Position**

Governmental activities	\$2,281,201	\$3,334,530	\$1,249,411	\$4,112,986	(\$1,867,903)	\$2,969,474	\$4,307,909	\$6,827,790	(\$3,694,086)	\$1,745,290
Business-type activities	301,701	428,978	2,275,372	2,345,118	1,794,581	1,767,807	6,775,364	3,076,289	1,343,674	979,277
Total change in net position	\$2,582,902	\$3,763,508	\$3,524,783	\$6,458,104	(\$73,322)	\$4,737,281	\$11,083,273	\$9,904,079	(\$2,350,412)	\$2,724,567

**CITY OF JEFFERSON, MISSOURI**  
**Governmental Activities Tax Revenues by Source**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

Fiscal Year	Sales Tax	Property Tax	Utility Tax	Cigarette Tax	Lodging Tax	Total
2009	\$ 17,727,625	\$ 5,385,549	\$ 7,176,662	\$ 133,616	\$ 482,464	\$ 30,905,916
2010	18,414,037	5,075,734	8,805,457	151,330	463,148	32,909,706
2011	19,028,103	5,173,275	7,964,817	142,645	777,926	33,086,766
2012	18,993,278	5,176,442	8,170,738	134,435	1,016,950	33,491,843
2013	18,983,249	5,190,439	7,287,504	128,223	1,101,708	32,691,123
2014	19,854,124	5,135,715	7,669,316	121,781	1,149,507	33,930,443
2015	21,376,531	5,188,759	7,294,904	120,658	1,131,285	35,112,138
2016	21,717,596	5,214,737	7,258,460	119,147	1,179,001	35,488,941
2017	22,297,376	5,362,603	7,058,070	114,233	1,245,046	36,077,328
2018	22,569,577	5,420,869	7,687,404	107,460	1,214,585	36,999,895

**CITY OF JEFFERSON, MISSOURI**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year									
	2009	2010	2011 <sup>1</sup>	2012	2013	2014	2015	2016	2017	2018
General Fund	\$ 571,658	\$ 804,385	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserved	3,679,901	4,588,943	-	-	-	-	-	-	-	-
Unreserved	-	-	276,321	232,441	282,373	252,625	241,242	377,934	403,711	466,700
Nonspendable	-	-	538,625	167,543	193,967	324,674	312,638	298,003	241,658	251,090
Restricted	-	-	869,304	165,306	113,200	48,550	1,831,544	1,540,785	433,562	949,331
Committed	-	-	4,751,536	4,681,316	4,944,983	6,466,439	7,010,330	8,844,970	9,231,503	8,289,017
Unassigned	-	-	6,435,786	5,246,606	5,534,523	7,092,288	9,395,754	11,061,692	10,310,434	9,956,138
Total General Fund	\$ 4,251,559	\$ 5,393,328	\$ 6,435,786	\$ 5,246,606	\$ 5,534,523	\$ 7,092,288	\$ 9,395,754	\$ 11,061,692	\$ 10,310,434	\$ 9,956,138
All other governmental funds	\$ 9,086,481	\$ 9,629,838	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserved	3,251,643	3,300,003	-	-	-	-	-	-	-	-
Unreserved, reported in:	494,134	226,364	-	-	-	-	-	-	-	-
Special revenue funds	-	-	318,513	18,479	1,340	1,360	1,298	1,298	1,277	1,214
Capital projects funds	-	-	5,917,493	6,412,064	7,191,904	8,193,448	9,533,750	6,753,629	4,653,567	5,719,653
Nonspendable	-	-	9,272,370	6,798,414	6,968,580	4,941,338	5,515,637	5,531,117	7,298,633	7,626,041
Restricted:	-	-	-	-	-	-	-	36,318	40,632	58,059
Parks	-	-	-	-	-	-	-	29,879	43,108	42,852
Capital projects	-	-	-	-	-	-	-	129,738	132,324	131,158
Police training	-	-	-	-	-	-	-	18,727	19,143	19,570
Lodging tax	-	-	-	-	-	-	-	16,840	17,175	13,568
JC Veterans Plaza	-	-	-	-	-	-	-	44,842	43,393	39,423
City Hall Art	-	-	-	-	-	-	-	-	-	-
USS Jefferson City Submarine	-	-	-	-	-	-	-	-	-	-
Woodland Cemetery	-	-	-	-	-	-	-	-	-	-
Other Purposes	-	-	340,141	352,206	359,679	326,345	289,270	-	-	-
Total All Other Governmental Funds	\$ 12,832,258	\$ 13,156,205	\$ 15,848,517	\$ 13,581,163	\$ 14,521,503	\$ 13,462,491	\$ 15,339,955	\$ 12,562,388	\$ 12,249,252	\$ 13,651,538

<sup>1</sup> 2011 First year for GASBS No. 54 reporting which requires governmental fund balances to be reported in five classifications - nonspendable, restricted, committed, assigned, and unassigned.

**CITY OF JEFFERSON, MISSOURI**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues</b>										
Sales and other user taxes	\$ 19,813,009	\$ 20,542,402	\$ 21,453,456	\$ 21,688,707	\$ 20,213,180	\$ 21,125,412	\$ 22,628,475	\$ 23,015,744	\$ 23,656,655	\$ 23,891,622
Property taxes	5,241,921	5,219,828	5,166,024	5,178,611	5,237,547	5,190,969	5,261,508	5,267,657	5,419,824	5,484,475
Utility/franchise taxes	6,487,241	8,499,340	8,953,048	7,430,945	7,289,415	7,670,316	7,295,904	7,258,960	7,060,237	7,687,404
Licenses, permits and fees	651,948	644,028	617,597	1,048,494	750,254	828,254	760,615	818,420	897,213	911,495
Intergovernmental	3,960,002	3,410,236	3,721,235	6,374,525	3,963,313	5,642,708	4,608,038	4,423,255	5,261,966	3,562,158
Charges for Services	3,207,483	3,294,471	3,543,346	3,661,509	4,187,634	4,000,927	4,432,834	4,741,235	5,006,456	5,241,920
Fines and forfeitures	874,849	761,698	894,737	1,008,168	994,220	1,008,406	1,023,787	951,585	821,174	792,331
Investment earnings	194,969	302,709	323,547	374,975	391,884	352,551	361,156	406,004	417,668	384,174
Contributions	-	-	-	-	188,663	209,725	176,879	317,104	334,912	335,096
Miscellaneous	1,278,478	1,612,182	1,647,491	1,448,952	223,279	297,817	389,478	672,367	967,014	244,424
Total revenues	41,709,900	44,286,894	46,320,481	48,214,886	43,429,389	46,327,085	46,938,674	47,872,331	49,243,119	48,535,099
<b>Expenditures</b>										
General government	5,505,281	5,970,843	6,786,837	7,935,233	6,478,306	5,940,300	5,725,817	5,473,387	5,667,308	5,923,438
Public Safety	15,168,059	15,718,165	15,478,886	16,061,284	15,819,408	15,871,211	16,026,365	16,510,754	17,230,032	17,920,197
Community development	7,285,631	7,434,651	7,779,774	7,480,827	6,784,987	8,537,749	6,969,904	7,373,632	7,654,282	7,969,032
Cultural and recreation	5,011,815	5,225,529	5,239,050	5,449,562	5,413,554	5,400,290	5,572,731	6,037,672	6,459,097	6,556,633
Capital Outlay	7,127,807	7,587,153	7,387,232	13,245,272	7,135,462	8,902,901	7,025,382	12,479,889	16,906,542	6,619,392
Debt service										
Principal	72,344	70,270	73,271	76,399	-	370,524	-	-	154,101	1,082,867
Interest	7,317	4,499	6,391	3,262	-	21,277	-	-	45,899	117,133
Total Expenditures	40,178,254	42,011,110	42,751,441	50,251,839	41,631,717	45,044,252	41,320,199	47,875,334	54,117,261	46,188,692
Excess of revenues over (under) expenditures	1,531,646	2,275,784	3,569,040	(2,036,953)	1,797,672	1,282,833	5,618,475	(3,003)	(4,874,142)	2,346,407
<b>Other financing sources (uses)</b>										
Proceeds from sale of assets	340,149	24,078	101,270	31,530	309,986	48,010	77,729	377,208	139,070	205,543
Loan Proceeds	-	-	-	-	-	-	-	-	-	-
Capital Contributions	-	-	23,617	9,014	-	-	-	-	5,037,541	-
Transfers in	10,845	9,560	387,872	19,806	347,618	23,122	32,944	202,647	24,871	24,102
Transfers out	(1,548,067)	(843,706)	(1,922,061)	(1,479,932)	(1,227,018)	(855,212)	(1,548,218)	(1,688,481)	(1,391,734)	(1,528,062)
Total other financing sources (uses)	(1,197,073)	(810,068)	(1,409,302)	(1,419,582)	(569,414)	(784,080)	(1,437,545)	(1,108,626)	3,809,748	(1,298,417)
Net change in fund balances	\$ 334,573	\$ 1,465,716	\$ 2,159,738	\$ (3,456,535)	\$ 1,228,258	\$ 498,753	\$ 4,180,930	\$ (1,111,629)	\$ (1,064,394)	\$ 1,047,990
Debt service as a percentage of noncapital expenditures	0.24%	0.22%	0.21%	0.21%	0.00%	0.97%	0.00%	0.00%	0.46%	2.93%

**CITY OF JEFFERSON, MISSOURI**  
**General Governmental Tax Revenues By Source**  
**Last Ten Fiscal Years**  
 (modified accrual basis of accounting)

Fiscal Year	Sales Tax	Motor Vehicle Tax Disbursement	Gasoline Tax Disbursement	Cigarette Tax	Lodging Tax	Total			Utility Tax	Total
						Other User Taxes	Property Tax	Sales and Other User Taxes		
2009	\$ 17,727,625	\$ 373,841	\$ 1,095,463	\$ 133,616	\$ 482,464	\$ 19,813,009	\$ 5,241,921	\$ 6,487,241	\$ 31,542,171	
2010	18,414,037	399,613	1,116,841	151,330	460,581	20,542,402	5,219,828	8,499,340	34,261,570	
2011	19,028,103	410,046	1,092,169	142,645	780,493	21,453,456	5,166,025	8,953,048	35,572,529	
2012	18,993,278	447,194	1,096,851	134,435	1,016,949	21,688,707	5,178,611	7,430,945	34,298,263	
2013	18,983,248	469,011	1,091,729	128,223	1,101,708	21,773,919	5,237,547	7,289,415	34,300,881	
2014	19,854,123	512,548	1,111,896	121,781	1,149,507	22,749,855	5,190,969	7,670,316	35,611,140	
2015	21,376,532	542,700	1,147,135	120,658	1,131,285	24,318,310	5,261,508	7,295,904	36,875,722	
2016	21,717,595	556,693	1,147,230	119,147	1,179,001	24,719,667	5,267,657	7,258,960	37,246,284	
2017	22,297,385	575,400	1,162,718	114,223	1,245,046	25,394,772	5,419,824	7,060,237	37,874,833	
2018	22,569,577	583,368	1,156,866	107,460	1,214,585	25,631,855	5,484,475	7,687,404	38,803,734	



**CITY OF JEFFERSON, MISSOURI**  
**Sales Tax Rates**  
**Direct and Overlapping Governments**  
**Last Ten Fiscal Years**

Fiscal Year	City of Jefferson					County Rate	State Rate	Total Direct & Overlapping Rates
	General Fund Rate	Capital Improvement Rate	Parks Rate	City Rate	Total City Rate			
2009	1.000%	0.500%	0.500%	2.000%	1.500%	4.225%	7.725%	
2010	1.000%	0.500%	0.500%	2.000%	1.500%	4.225%	7.725%	
2011	1.000%	0.500%	0.500%	2.000%	1.500%	4.225%	7.725%	
2012	1.000%	0.500%	0.500%	2.000%	1.500%	4.225%	7.725%	
2013	1.000%	0.500%	0.500%	2.000%	1.500%	4.225%	7.725%	
2014	1.000%	0.500%	0.500%	2.000%	1.500%	4.225%	7.725%	
2015	1.000%	0.500%	0.500%	2.000%	1.500%	4.225%	7.725%	
2016	1.000%	0.500%	0.500%	2.000%	1.500%	4.225%	7.725%	
2017	1.000%	0.500%	0.500%	2.000%	1.500%	4.225%	7.725%	
2018	1.000%	0.500%	0.500%	2.000%	1.500%	4.225%	7.725%	

<sup>1</sup> County Ambulance one-half cent sales tax was effective April 1, 2009.

**CITY OF JEFFERSON, MISSOURI**  
**Principal Sales Taxpayers**  
**October 31, 2018**

Taxpayer	2018		2009	
	Rank	Percentage of Total Taxable Retail Sales	Rank	Percentage of Total Taxable Retail Sales
Wal-Mart	1	12.70%	1	12.30%
Sam's Club	2	4.19%		
Ameren UE	3	3.58%	2	4.59%
Lowes Home Centers	4	3.14%	3	4.04%
Dillion Stores	5	3.05%	4	3.56%
Hy-Vee	6	2.84%	5	2.80%
Menards	7	2.62%		
Target	8	1.98%	6	2.75%
A T & T Mobility	9	1.45%	10	1.32%
Schnucks	10	1.41%	7	1.99%
Best Buy, Inc			8	1.50%
Schultes Fresh Foods			9	1.39%
<b>Totals</b>		<b>36.96%</b>		<b>36.24%</b>

Source: State of Missouri, Department of Revenue

**CITY OF JEFFERSON, MISSOURI**  
**Assessed Value and Estimated Value of Taxable Property**  
**Last Ten Fiscal Years**

Fiscal Year Ended October 31	Real Property			Commercial <sup>1</sup> Property	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value of a Percentage of Actual Value
	Residential Property	Agricultural Property	Property						
2009	\$ 337,457,840	\$ 921,730	\$ 309,403,306	\$ 183,892,514	\$ 831,675,390	0.6353	\$ 3,302,337,851	25.18%	
2010	349,819,640	925,170	316,219,888	182,636,931	849,601,629	0.5561	3,384,963,693	25.10%	
2011	351,943,970	930,560	325,741,110	177,772,272	856,387,912	0.5561	3,411,349,136	25.10%	
2012	355,395,460	929,130	329,398,567	161,547,258	847,270,415	0.5561	3,392,257,467	24.98%	
2013	357,602,180	904,680	332,482,807	157,397,748	848,387,415	0.5561	3,400,857,753	24.95%	
2014	361,333,140	739,480	335,086,436	156,554,546	853,713,602	0.5561	3,424,724,452	24.93%	
2015	364,536,160	731,280	332,777,887	158,731,376	856,776,703	0.5561	3,440,830,393	24.90%	
2016	367,304,150	734,480	334,885,789	160,211,277	863,135,696	0.5561	3,466,452,325	24.90%	
2017	369,260,340	735,850	335,252,186	178,061,610	883,309,986	0.5561	3,531,455,468	25.01%	
2018	372,686,830	746,572	343,432,677	177,039,181	893,905,260	0.5561	3,572,075,724	25.02%	

Note: The County assesses real estate-residential property at 19% of actual taxable value, real estate-agricultural at 12%, real estate-commercial at 32% and personal property at 33 1/3%. Estimated actual value is calculated by dividing assessed value by those percentages. Tax rates are per \$100 of assessed value. Tax assessment for 2017 relates to the City's fiscal year 2018.

<sup>1</sup> Includes local and state assessed railroad & utilities.

**CITY OF JEFFERSON, MISSOURI**  
**Property Tax Rates (Per \$100 Assessed Valuation)**  
**Direct and Overlapping Governments**  
**Last Ten Fiscal Years**

Fiscal Year	City of Jefferson			County			School District			Total Direct & Overlapping Rates
	Operating Rate	Debt Service Rate	Total City Rate	Operating Rate	Debt Service Rate	Total County Rate	Operating Rate	Debt Service Rate	Total School Rate	
2009	\$ 0.6353	\$ -	\$ 0.6353	\$ 0.9122	\$ -	\$ 0.9122	\$ 3.6770	\$ -	\$ 3.6770	\$ 5.2245
2010	0.5561	-	0.5561	0.7865	-	0.7865	3.6770	-	3.6770	5.0196
2011	0.5561	-	0.5561	0.7013	-	0.7013	3.6770	-	3.6770	4.9344
2012	0.5561	-	0.5561	0.7018	-	0.7018	3.6770	-	3.6770	4.9349
2013	0.5561	-	0.5561	0.6973	-	0.6973	3.6770	-	3.6770	4.9304
2014	0.5561	-	0.5561	0.6891	-	0.6891	3.6934	-	3.6934	4.9386
2015	0.5561	-	0.5561	0.6901	-	0.6901	3.6928	-	3.6928	4.9390
2016	0.5561	-	0.5561	0.6655	-	0.6655	3.6928	-	3.6928	4.9144
2017	0.5561	-	0.5561	0.6687	-	0.6687	3.6928	-	3.6928	4.9176
2018	0.5561	-	0.5561	0.6743	-	0.6743	4.5428	-	4.5428	5.7732

Source: County Clerk's office/County Assessor  
Note: Tax assessment for 2017 relates to the City's fiscal year 2018.

**CITY OF JEFFERSON, MISSOURI**  
**Principal Property Taxpayers**  
**October 31, 2018**

Taxpayer	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Conopco/Chesebrough/Unilever	\$17,028,712	1	1.90%	\$16,326,018	2	1.96%
Ameren Missouri/Union Electric	15,286,753	2	1.71%			
Missouri American Water	12,075,362	3	1.35%	5,732,493	6	0.69%
Wal-Mart	8,640,000	4	0.97%	5,320,453	8	0.64%
Scholastic	6,529,964	5	0.73%	9,893,590	3	1.19%
Jefferson City Medical Center	6,072,000	6	0.68%	5,263,979	9	0.63%
Central Missouri Realty	5,505,180	7	0.62%	5,505,180	7	0.66%
Command Web Offset Co. Inc.	4,712,527	8	0.53%			
Wildwood Crossing LLC	4,640,000	9	0.52%	5,824,000	5	0.70%
Atrium Finance	3,680,000	10	0.41%			
Von Hoffman Press				21,353,022	1	2.57%
Capital Mall Inc/GGP Limited Partnership				7,964,809	4	0.96%
Lowes Home Centers				4,598,814	10	0.55%
<b>Totals</b>	<b>\$84,170,498</b>		<b>9.42%</b>	<b>\$87,782,358</b>		<b>10.55%</b>

Note: Tax assessment for 2017 relates to the City's fiscal year 2018  
Source: Cole County Collector of Revenue

**CITY OF JEFFERSON, MISSOURI**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

Fiscal Year Ended October 31	Net Tax Levy <sup>1</sup> for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years <sup>2</sup>	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2009	\$ 5,230,797	\$ 5,063,188	96.8%	\$ 74,223	5,137,411	98.2%
2010	4,677,388	4,571,912	97.7%	67,077	4,638,989	99.2%
2011	4,714,749	4,640,055	98.4%	49,553	4,689,608	99.5%
2012	4,641,391	4,571,039	98.5%	49,875	4,620,914	99.6%
2013	4,647,526	4,574,811	98.4%	51,426	4,626,238	99.5%
2014	4,676,700	4,514,124	96.5%	42,138	4,556,262	97.4%
2015	4,693,499	4,558,916	97.1%	45,472	4,604,388	98.1%
2016	4,728,336	4,589,287	97.1%	12,239	4,601,526	97.3%
2017	4,838,766	4,720,216	97.5%	-	4,720,216	97.5%
2018	4,896,931	4,761,805	97.2%	-	4,761,805	97.2%

<sup>1</sup> "Net Tax Levy" is the total levy less one percent collection fee by Counties.

<sup>2</sup> 2010 is the earliest year collections can be split by levy year.

**CITY OF JEFFERSON, MISSOURI**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities				Business-Type Activities							Total Primary Government	Per Capita <sup>1</sup>	Per Capita Income <sup>2,3</sup>
	General Obligation Bonds	Special Assessment Bonds	Capital Leases	Long Term Debt	Wastewater Bonds	Wastewater Notes	Parking Bonds	Water Bonds	General Obligation Bonds	Capital Leases				
2009	\$ -	\$ -	\$ 219,940	\$ -	\$ 35,670,000	-	\$ -	\$ -	\$ -	-	-	\$ 35,889,940	\$ 873	3.68%
2010	-	-	149,670	-	41,795,000	-	-	-	-	-	-	41,944,670	974	3.50%
2011	-	-	76,399	-	39,845,000	-	-	-	-	-	-	39,921,399	927	3.31%
2012	-	-	-	-	37,805,000	-	-	-	-	-	-	37,805,000	878	4.06%
2013	-	-	-	370,524	44,995,309	-	-	-	-	-	-	45,365,833	1,053	5.26%
2014	-	-	-	-	58,280,645	-	-	-	-	-	-	58,280,645	1,353	5.10%
2015	-	-	-	-	55,642,805	-	-	-	-	-	-	55,642,805	1,292	5.85%
2016	-	-	-	-	62,387,824	-	-	-	-	-	-	62,387,824	1,448	5.94%
2017	-	-	-	4,883,440	58,631,974	-	-	-	-	-	-	63,515,414	1,474	5.37%
2018	-	-	-	3,800,572	54,716,324	-	-	-	-	-	-	58,516,896	1,358	

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

<sup>1</sup> See the Schedule of Demographic and Economic Statistics for population data.

<sup>2</sup> Source: United States Census Bureau

<sup>3</sup> Per Capita Income only available back to 2010

**CITY OF JEFFERSON, MISSOURI**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of	
				Estimated Actual Taxable Value of Property	Per Capita
2009	-	-	-	-	-
2010	-	-	-	-	-
2011	-	-	-	-	-
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-



**CITY OF JEFFERSON, MISSOURI**  
**Direct and Overlapping Governmental Activities Debt**  
**As of October 31, 2018**

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>1</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes: Cole County	\$644,000	62.02%	\$399,384
Subtotal, overlapping debt			<u>399,384</u>
City of Jefferson direct debt			<u>\$3,800,573</u>
Total direct and overlapping debt			<u><u>\$4,199,957</u></u>

Sources: Assessed value data used to estimate applicable percentages and debt outstanding data provided by the Cole County (12/31/17 Comprehensive Annual Financial Report).

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Jefferson. 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.

<sup>1</sup> The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

**CITY OF JEFFERSON, MISSOURI**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt Limit:										
10 percent of total assessed value-for general purposes	\$83,167,539	\$84,960,163	\$85,638,791	\$84,727,042	\$84,838,742	\$85,371,360	\$85,677,670	\$86,313,570	\$88,330,999	\$89,390,526
10 percent of total assessed value-for specific improvement	83,167,539	84,960,163	85,638,791	84,727,042	84,838,742	85,371,360	85,677,670	86,313,570	88,330,999	89,390,526
Total debt limitation	<u>166,335,078</u>	<u>169,920,326</u>	<u>171,277,582</u>	<u>169,454,084</u>	<u>169,677,484</u>	<u>170,742,720</u>	<u>171,355,340</u>	<u>172,627,138</u>	<u>176,661,996</u>	<u>178,781,052</u>
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$166,335,078</u>	<u>\$169,920,326</u>	<u>\$171,277,582</u>	<u>\$169,454,084</u>	<u>\$169,677,484</u>	<u>\$170,742,720</u>	<u>\$171,355,340</u>	<u>\$172,627,138</u>	<u>\$176,661,996</u>	<u>\$178,781,052</u>

Total net debt applicable to the limit  
as a percentage of debt limit

**CITY OF JEFFERSON, MISSOURI**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**

Fiscal Year	Sewer Revenue Bonds							Coverage
	Sewer Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Interest		
				Principal	Interest			
2009	\$ 7,207,358	\$ 4,490,880	\$ 2,716,478	\$ 1,525,000	\$ 1,771,984		0.82	
2010	8,198,471	4,266,561	3,931,910	1,620,000	1,769,820		1.16	
2011	9,666,908	4,487,631	5,179,277	1,950,000	2,157,737		1.26	
2012	10,448,653	4,764,596	5,684,057	2,040,000	2,048,925		1.39	
2013	10,585,111	5,106,704	5,478,407	2,150,000	1,564,622		1.47	
2014	10,829,310	5,142,457	5,686,853	2,552,000	2,090,341		1.22	
2015	11,367,177	5,405,800	5,961,377	2,984,000	2,212,611		1.15	
2016	11,964,744	5,698,309	6,266,435	3,101,048	1,964,873		1.24	
2017	12,267,295	5,834,648	6,432,647	3,637,800	2,083,465		1.12	
2018	12,557,974	5,536,848	7,021,126	3,797,600	2,268,213		1.16	

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements. Sewer charges and other includes investment earnings. Operating expenses do not include interest or depreciation.

**CITY OF JEFFERSON, MISSOURI**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Population</b> <sup>5</sup>	<b>Median Age</b> <sup>1,5</sup>	<b>Per Capita Income</b> <sup>2,5</sup>	<b>Personal Income</b>	<b>Population 25 and Over, High School Graduate or Higher</b> <sup>3</sup>	<b>Jefferson City School District School</b>	<b>Unemployment Rate</b> <sup>7</sup>
2009	41,107					7,597	6.7%
2010	43,079	35.7				7,698	6.6%
2011	43,079	37.2	\$ 26,494	\$ 1,141,335,026		8,039	6.1%
2012	43,079	36.8	\$ 25,934	\$ 1,117,210,786		8,017	5.1%
2013	43,079	37.5	\$ 25,699	\$ 1,107,087,221		8,163	4.8%
2014	43,079	37.2	\$ 25,349	\$ 1,092,009,571		8,231	3.9%
2015	43,079	37.9	\$ 24,763	\$ 1,066,765,277		8,284	3.4%
2016	43,079	37.4	\$ 24,810	\$ 1,068,789,990		8,079	3.4%
2017	43,079	37.8	\$ 25,315	\$ 1,090,544,885	90.9%	8,062	1.9%
2018	43,079					8,047	1.9%

<sup>1</sup> Median Age prior to 2010 is not available

<sup>2</sup> Per Capita Income prior to 2011 is not available, therefore Personal Income is not available

<sup>3</sup> Education Level prior to 2017 is unavailable

<sup>4</sup> Figures for current fiscal year are not yet available

Source:

<sup>5</sup> United States Census Bureau, Quickfacts

<sup>6</sup> Missouri Department of Elementary and Secondary Education (MODESE)

<sup>7</sup> Missouri Economic Research and Information Center (MERIC)

**CITY OF JEFFERSON, MISSOURI**  
**Principal Employers**  
**October 31, 2018**

Employer	2018			2009		
	Employees*	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
State of Missouri	14,174	1	26.8%	18,203	1	33.3%
Jefferson City Public Schools	1,627	2	3.1%	1,106	5	2.0%
Capital Region Medical Center	1,527	3	2.9%	1,450	3	2.7%
Scholastic, Inc.	1,500	4	2.8%	1,500	2	2.7%
Central Bancorpany	1,020	5	1.9%	750	7	1.4%
SSM Health - St. Marys Hospital	982	6	1.9%	1,200	4	2.2%
ABB, Inc	865	7	1.6%	625	8	1.1%
Walmart Supercenter (2)	665	8	1.3%	783	6	1.4%
Jefferson City Medical Group	629	9	1.2%	564	9	1.0%
Unilever	467	10	0.9%			
RR Donnelley				525	10	1.0%
Totals	<u>23,456</u>			<u>26,706</u>		

\*Includes full and part-time employees

Source: Jefferson City Chamber of Commerce/United States Census Bureau

**CITY OF JEFFERSON, MISSOURI**  
**Full-time Equivalent City Government Employees by Function**  
**Last Ten Fiscal Years**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Governmental activities:</b>										
General government	33.3	34.3	34.25	36.25	35.25	32.25	32.25	33.25	33.25	33.25
Public safety										
Police										
Police officers	88.0	88.0	88.00	89.00	89.00	88.00	88.00	88.00	89.00	89.00
Civilians	31.8	31.8	31.75	39.75	39.75	37.75	37.75	37.75	38.75	38.75
Fire										
Firefighters and officials	75.0	75.0	75.00	75.00	75.00	72.00	72.00	73.00	75.00	75.00
Civilians	1.0	1.0	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Planning & Protective Svcs/Public Works	75.5	76.5	76.50	69.50	69.50	63.50	63.50	64.50	68.50	70.50
Cultural and recreation	45.0	46.0	46.00	46.00	47.00	47.00	47.00	47.00	48.00	50.00
<b>Total governmental activities FT Employees</b>	<b>349.5</b>	<b>352.5</b>	<b>352.50</b>	<b>356.50</b>	<b>356.50</b>	<b>341.50</b>	<b>341.50</b>	<b>344.50</b>	<b>353.50</b>	<b>357.50</b>
<b>Business-type activities:</b>										
Wastewater/Water	35.0	35.0	35.00	35.00	35.00	35.00	35.00	35.00	36.00	36.00
Airport	2.0	2.0	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00
Parking	7.5	7.5	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Transit	25.0	25.0	25.00	25.00	25.00	25.00	26.00	26.00	26.00	26.00
<b>Total business-type activities FT Employees</b>	<b>69.5</b>	<b>69.5</b>	<b>69.50</b>	<b>69.50</b>	<b>69.50</b>	<b>69.50</b>	<b>70.50</b>	<b>70.50</b>	<b>72.50</b>	<b>72.50</b>
<b>Total primary government FT Employees</b>	<b>419.0</b>	<b>422.0</b>	<b>422.00</b>	<b>426.00</b>	<b>426.00</b>	<b>411.00</b>	<b>412.00</b>	<b>415.00</b>	<b>426.00</b>	<b>430.00</b>

Source: City of Jefferson Adopted Budget

**CITY OF JEFFERSON, MISSOURI**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Police</b>										
Calls for Service	56,286	59,229	65,162	67,570	64,719	65,888	67,067	67,986	64,117	58,235
Crimes Reported	4,205	4,443	4,366	4,473	4,090	4,210	4,263	4,130	4,127	4,013
Arrest/Detentions	5,207	6,548	5,492	5,303	5,067	4,366	5,254	5,714	4,894	5,103
Traffic Accidents	1,401	1,646	1,550	1,286	1,300	1,252	1,298	1,374	1,211	1,208
Traffic Citations	11,415	11,843	12,227	11,808	11,278	10,925	11,787	10,719	11,368	9,893
<b>Fire</b>										
Number of calls answered	3,992	4,411	4,412	4,232	4,204	4,582	4,630	5,060	4,626	4,837
Number of inspections conducted	1,761	1,800	1,814	1,832	1,841	733	1,627	1,195	1,552	1,400
<b>Parking Authority</b>										
Parking violations	27,089	20,377	21,271	20,779	20,155	17,637	19,678	21,813	20,523	20,584
<b>Wastewater</b>										
Number of service connections	20,138	20,209	20,230	20,258	20,260	20,260	20,260	20,173	20,192	20,192
Daily average treatment in gallons	9,100,000	9,600,000	8,750,000	6,000,000	6,000,000	5,890,000	5,897,000	8,877,000	7,157,000	9,779,153
Maximum daily design capacity in gallons	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000

Source: Various city departments.

**CITY OF JEFFERSON, MISSOURI**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of patrol units	27	27	27	34	34	34	34	34	34	32
Fire										
Number of stations	5	5	5	5	5	5	5	5	5	5
Public Works										
Area in square miles	38	38	38	38	38	38	38	38	38	38
Center line miles of streets	250 *	251	251	251	251	253	253	253	253	253
Number of street lights	3,371	3,401	3,401	3,401	3,401	3,401	3,401	4,066	4,123	4,123
Culture and Recreation										
Parks	16	16	16	17	17	17	18	18	18	18
Parks acreage	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
RV Campground	1	1	1	1	1	1	1	1	1	1
Primitive Campsite	-	-	-	3	3	3	3	3	3	3
Golf Course - 18 hole	-	-	-	1	1	1	1	1	1	1
Driving Range	-	-	-	-	1	1	1	1	1	1
Swimming pools/aquatic centers	2	2	2	2	2	2	2	2	2	2
Tennis courts - lighted	7	7	7	7	7	7	7	7	7	7
Skate Park - lighted	1	1	1	1	1	1	1	1	1	1
Handball/racquetball courts-lighted	4	4	4	4	4	4	4	4	4	4
Horseshoe courts-lighted	12	12	12	12	12	12	12	12	12	12
Bocce courts	2	2	2	2	2	2	2	2	2	2
Sand volleyball courts-lighted	2	2	2	2	2	2	2	2	2	2
Boat Ramps	2	2	2	2	2	2	2	2	2	2
Radio controlled car track	1	1	1	1	1	1	1	1	1	1
Radio controlled flying field	1	1	1	1	1	1	1	1	1	1
Amphitheater-lighted	1	1	1	1	1	1	1	1	1	1
Rugby field	1	1	1	1	1	1	1	1	1	1
Dog Park	2	2	2	2	2	2	2	2	2	2
Indoor Ice Arena	1	1	1	1	1	1	1	1	1	1
Playgrounds	12	12	12	13	13	13	13	13	13	13
Lighted athletic game fields	11	11	11	11	11	11	11	11	11	11
Unlighted athletic game fields	2	2	2	2	2	2	2	2	2	2
Unlighted athletic game fields	2	2	2	2	2	2	2	2	2	2
Picnic shelters - rentable	7	7	7	6	6	6	9	9	9	9
Indoor Pavilions/Multipurpose Rooms	-	-	-	3	4	4	5	5	5	5
Multi-Use trails including mountain bike trails (miles)	31	32	32	34	34	37	38	38	38	38
Lakes	3	3	3	3	3	3	3	3	3	3
Missouri River overlooks	3	3	3	3	3	3	3	3	3	3
Rentable Garden Plots	-	-	-	-	200	200	200	200	200	200
Practice Ball Fields	-	-	-	-	12	12	12	12	12	12
Outdoor Basketball Courts	-	-	-	-	8	8	8	8	8	8
Single Picnic Units w/ table & grill	-	-	-	-	42	42	42	44	44	44
The Linc	-	-	-	-	-	-	-	-	-	-
Indoor Basketball Courts	-	-	-	-	-	-	-	-	-	-
Indoor Volleyball Courts	-	-	-	-	-	-	-	-	-	-
Fitness Center	-	-	-	-	-	-	-	-	-	-
Cycling Room	-	-	-	-	-	-	-	-	-	-
Meeting Rooms	-	-	-	-	-	-	-	-	-	-
Walking Track	-	-	-	-	-	-	-	-	-	-
Wastewater	323	323	323	425	429	432	436	436	437	437
Miles of sanitary sewer	2	2	2	2	2	2	2	2	2	2
Number of treatment plants	2	2	2	2	2	2	2	2	2	2

Source: Various city departments.



# **FEDERAL AWARDS SECTION**

**CITY OF JEFFERSON, MISSOURI**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED OCTOBER 31, 2018**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Transportation - Federal Transit Administration				
Section 5307 Operating Assistance Grant	20.507	MO-2018-008-01	\$ 786,366	\$ -
Passed Through MO Department of Transportation:				
MO Department of Transportation Grant	20.526	MO-34-0009	127,298	-
Total Federal Transit Cluster			913,664	-
Passed Through University of Central MO:				
Click It or Ticket	20.616	18-M2OP-05-020	1,917	-
Youth Seatbelt Enforcement	20.616	18-M2OP-05-020	386	-
Child Passenger Safety Enforcement	20.616	18-M2OP-05-020	325	-
Total University of Central MO			2,628	-
Passed Through MO Department of Transportation:				
Hazardous Moving Violations	20.600	19-PT-02-054	1,280	-
Child Passenger Seat Safety Program	20.600		2,140	-
Total Missouri Department of Transportation			3,420	-
Total Highway Safety Cluster			6,048	-
Passed Through University of Central MO:				
July 4th DWI Enforcement	20.607	18-154-AL-154	652	-
St. Patrick's DWI Enforcement	20.607	18-154-AL-154	948	-
Holiday DWI Enforcement Campaign	20.607	18-154-AL-154	1,024	-
Youth Alcohol Enforcement	20.607	18-154-AL-154	799	-
Drive Sober or Get Pulled Over DWI Enforcement	20.607	18-154-AL-154	1,174	-
Total University of Central MO			4,597	-
Passed Through MO Department of Transportation- Highway Safety Division:				
Hazardous Moving Violations	20.607	18-PT-02-036	21,966	-
Total Hazardous Moving Violations			21,966	-
DWI Enforcement	20.607	19-154-AL-057	1,766	-
DWI Enforcement	20.607	18-154-AL-044	22,347	-
Total DWI Enforcement			24,113	-
Total MO Department of Transportation - Highway Safety Division			46,079	-
Passed Through MO Department of Transportation:				
Surface Transportation Program	20.505	1STP3100(523)	6,092	-
Surface Transportation Program	20.505	1STP3100(523)	42,885	-
Updating Airport Master Plan/Airport Layout Plan	20.106	18-040B-1	128,779	-
Coordinated Human Services Transportation Plan	20.515		1,742	-
Total MO Highway and Transportation Department			179,498	-
FHWA PL Funds	20.205	MO-81-0018	124,462	-
Clark Avenue Hwy 50/63 Interchange	20.205	STP-3100-(525)	74,723	-
Total MO Highway and Transportation Department Cluster			199,185	-
MO Hwy & Transportation Grant (2 Handiwheels Buses)	20.513	MO-16-X052	97,466	-
Total Transit Services Program Cluster			97,466	-
Total U.S. Department of Transportation			1,446,537	-

The accompanying notes are an integral part of this schedule.

**CITY OF JEFFERSON, MISSOURI**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED OCTOBER 31, 2018**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Natural Resources				
Frog Hollow Greenway Trail Ext. - Phase 2	20.219	2015-13	14,081	-
Total U.S. Department of Natural Resources			<u>14,081</u>	<u>-</u>
U.S. Department of Justice				
US Edward Byrne Justice Assistance Grant Program	16.738		13,004	5,202
2017 Bullet Resistant Vest	16.607		854	-
2016 Bullet Resistant Vest	16.607		1,128	-
Sub-Total Department of Justice			<u>14,986</u>	<u>5,202</u>
Executive Office of the President				
Passed Through U.S. Department of Justice:				
Passed Through MO State Highway Patrol:				
HIDTA Program - DEA Equipment	95.001	G18MW0001A	729	-
HIDTA Program - DEA Equipment	95.001	G17MW0001A	9,961	-
HIDTA Program - DEA Equipment	95.001	G16MW0001A	188	-
Total Executive Office of the President			<u>10,878</u>	<u>-</u>
Total U.S. Department of Justice			<u>25,864</u>	<u>5,202</u>
U.S. Department of Housing and Urban Development				
HUD Entitlement Grant	14.218	B-15-MC-29-0012	186,432	-
Total CDBG Entitlement Grants Cluster			186,432	-
Total U.S. Department of Housing and Urban Development			<u>186,432</u>	<u>-</u>
U.S. Department of Health and Human Services				
Passed Through Missouri Department of Health and Senior Services:				
Child Care Development Block Grant	93.575		7,310	-
Total CCDF Cluster			<u>7,310</u>	<u>-</u>
U.S. Department of Homeland Security				
FEMA Fire Act Grant	97.044	EMW-2016-FO-04737	80,865	-
Passed Through State Emergency Management Agency:				
FEMA Green Meadow Grant	97.036	PA-07-MO-4317-PW-00410(477)	72,228	-
FEMA S. Lincoln Street Slide Failure	97.036	4317DR-MO (4317DR)	165,300	-
Total State Emergency Management Agency			<u>237,528</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>318,393</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 1,998,617</u>	<u>\$ 5,202</u>

The accompanying notes are an integral part of this schedule.

**CITY OF JEFFERSON, MISSOURI**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Year Ended October 31, 2018

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**NOTE 1 – BASIS OF PRESENTATION:**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the City of Jefferson, Missouri under programs of the federal government for the year ended October 31, 2018. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Jefferson, Missouri, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Jefferson, Missouri.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 – PROGRAM INCOME:**

In accordance with terms of the grant, program income is available to be used to reduce the amount of federal funds used for specific projects:

Neighborhood Stabilization Program:

Program Income Carryforward	\$ 47,098
Expenses paid with program income	-
Program Income	-
Remainder program income	<u>\$ 47,098</u>

**NOTE 4 – INDIRECT COST RATE:**

The City of Jefferson has not elected to use the 10% de minimis cost rate allowed under the Uniform Guidance.



# Evers & Company, CPA's, L.L.C.

Certified Public Accountants and Consultants

Richard E. Elliott  
Dale A. Siebeneck  
Jo L. Moore  
Wendy M. Renner  
Eldon H. Becker  
Bruce A. Vanderveld  
Jessica L. Bridges  
Bobbie J. Redmon-Murray

Elmer L. Evers, Emeritus  
Jerome L. Kauffman, Emeritus  
Keith L. Taylor, Emeritus

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Mayor and  
Members of the City Council  
City of Jefferson, Missouri

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Jefferson, Missouri**, as of and for the year ended October 31, 2018, and the related notes to the financial statements, which collectively comprise the **City of Jefferson, Missouri's** basic financial statements and have issued our report thereon dated April 26, 2019. The financial statements of the Jefferson City Convention and Visitors Bureau were not audited in accordance with *Government Auditing Standards* and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Jefferson City Convention and Visitors Bureau.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered **City of Jefferson, Missouri's** internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **City of Jefferson, Missouri's** internal control. Accordingly, we do not express an opinion on the effectiveness of **City of Jefferson, Missouri's** internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether **City of Jefferson, Missouri's** financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Evers & Company, CPA's, LLC*

EVERS & COMPANY, CPA's, L.L.C.  
Jefferson City, Missouri

April 26, 2019



# Evers & Company, CPA's, L.L.C.

Certified Public Accountants and Consultants

Richard E. Elliott  
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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL REQUIRED BY THE COMPLIANCE UNIFORM GUIDANCE

To the Honorable Mayor and  
Members of the City Council  
City of Jefferson, Missouri

### **Report on Compliance for Each Major Federal Program**

We have audited **City of Jefferson, Missouri's** compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of **City of Jefferson, Missouri's** major federal programs for the year ended October 31, 2018. The **City of Jefferson, Missouri's** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of **City of Jefferson, Missouri's** major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain

reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the **City of Jefferson, Missouri's** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of **City of Jefferson, Missouri's** compliance.

### **Opinion on Each Major Federal Program**

In our opinion, **City of Jefferson, Missouri** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended October 31, 2018.

### **Report on Internal Control over Compliance**

Management of the **City of Jefferson, Missouri** is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the **City of Jefferson, Missouri's** internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the **City of Jefferson, Missouri's** internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.



Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Evers & Company, CPA's, LLC*

EVERS & COMPANY, CPA's, L.L.C.  
Jefferson City, Missouri

April 26, 2019

**CITY OF JEFFERSON, MISSOURI**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Year Ended October 31, 2018

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**Section I – Summary of Auditors’ Results**

**Financial Statements**

Type of auditors’ report issued on whether the financial statements audited were prepared in accordance with GAAP Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? No

Noncompliance material to financial statements noted? No

**Federal Awards**

Internal control over major federal programs:

- Material weakness (es) identified? No
- Significant deficiency(ies) identified that are not considered to be material weakness (es)? No

Type of auditor’s report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in Accordance with section 2CFR 200.51(a)? No

**CITY OF JEFFERSON, MISSOURI**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Year Ended October 31, 2018

(Continued)

**Section I – Summary of Auditor’s Results**

**Identification of Major Programs:**

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
	Federal Transit Cluster
20.507	Department of Transportation – Federal Transit Administration – Section 5307 Operating Assistance Grant
20.526	Department of Transportation – Passed through MO Transportation Department
Dollar Threshold Used to Distinguish between Type A and Type B Programs:	\$750,000
Auditee qualified as low-risk?	Yes

**Section II – Financial Statement Findings**

None.

**Section III – Federal Award Findings and Questioned Costs**

None.

**CITY OF JEFFERSON, MISSOURI**

**SUMMARY OF STATUS OF PRIOR AUDIT FINDINGS**

For the Year Ended October 31, 2018

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There are no findings from prior years that require and update in this report.

## APPENDIX C

### SUMMARY OF THE BOND ORDINANCE

The following is a summary of certain provisions contained in the Bond Ordinance. The following is not a comprehensive description, however, and is qualified in its entirety by reference to the Bond Ordinance for a complete recital of the terms thereof.

#### Definitions

*In addition to words and terms defined elsewhere in this Official Statement, the following are definitions of certain words and terms used in the Bond Ordinance and this Official Statement unless the context clearly otherwise requires. Reference is hereby made to the Bond Ordinance for complete definitions of all terms.*

**“Bond Counsel”** means Gilmore & Bell, P.C., Kansas City, Missouri, or other attorney or firm of attorneys with a nationally recognized standing in the field of municipal bond financing selected by the City.

**“Bond Payment Date”** means any date on which principal of or interest on any Bond is payable.

**“Bond Register”** means the books for the registration, transfer and exchange of Bonds kept at the office of the Paying Agent.

**“Bondowner,” “Owner” or “Registered Owner”** when used with respect to any Bond means the Person in whose name such Bond is registered on the Bond Register.

**“Bonds”** means the Special Obligation Improvement Bonds (Parks System Project), Series 2019, of the City, in the aggregate principal amount of \$7,305,000, authorized and issued pursuant to the Bond Ordinance.

**“Business Day”** means a day, other than a Saturday, Sunday or holiday, on which the Paying Agent is scheduled in the normal course of its operations to be open to the public for conduct of its banking operations.

**“Cede & Co.”** means Cede & Co., as nominee name of The Depository Trust Company, New York, New York, and any successor nominee with respect to the Bonds.

**“City”** means the City of Jefferson, Missouri, and any successors or assigns.

**“Code”** means the Internal Revenue Code of 1986, as amended, and the applicable regulations of the Treasury Department proposed or promulgated thereunder.

**“Continuing Disclosure Undertaking”** means the Continuing Disclosure Undertaking dated the date set forth therein, the form of which is attached to the Bond Ordinance.

**“Defaulted Interest”** means interest on any Bond which is payable but not paid on any Interest Payment Date.

**“Defeasance Obligations”** means any of the following obligations:

(a) United States Government Obligations that are not subject to redemption in advance of their maturity dates; or

(b) obligations of any state or political subdivision of any state, the interest on which is excluded from gross income for federal income tax purposes and which meet the following conditions:

(1) the obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

(2) the obligations are secured by cash or United States Government Obligations that may be applied only to principal of, premium, if any, and interest payments on such obligations;

(3) such cash and the principal of and interest on such United States Government Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the obligations;

(4) such cash and United States Government Obligations serving as security for the obligations are held in an escrow fund by an escrow agent or a trustee irrevocably in trust;

(5) such cash and United States Government Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and

(6) such obligations are rated in a rating category by Moody's or Standard & Poor's that is no lower than the rating category then assigned by that Rating Agency to United States Government Obligations.

**"Federal Tax Certificate"** means the Federal Tax Certificate dated the date set forth therein, delivered by the City for the Bonds, which sets forth certain facts, covenants, representations, and expectations relating to the use of Bond proceeds and the use of property financed or refinanced with those proceeds, and the investment of the Bond proceeds and certain other related money in order to comply with the requirements of Code imposed on the Bonds.

**"Fiscal Year"** means the fiscal year of the City, currently November 1 to October 31.

**"Interest Payment Date"** means the Stated Maturity of an installment of interest on any Bond.

**"Maturity"** when used with respect to any Bond means the date on which the principal of such Bond becomes due and payable as therein and provided in the Bond Ordinance, whether at the Stated Maturity thereof or by call for redemption or otherwise.

**"Outstanding,"** when used with reference to Bonds, means, as of any particular date of determination, all Bonds theretofore issued and delivered hereunder, except the following Bonds:

(a) Bonds theretofore cancelled by the Paying Agent or delivered to the Paying Agent for cancellation;

(b) Bonds deemed to be paid in accordance with the provisions of the Bond Ordinance; and

(c) Bonds in exchange for or in lieu of which other Bonds have been registered and delivered hereunder.

**“Participants”** means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

**“Paying Agent”** means UMB Bank, N.A., St. Louis, Missouri, and any successors and assigns.

**“Permitted Investments”** means any of the following securities, if and to the extent the same are at the time legal for investment of the City’s moneys held in the funds and accounts listed in the Bond Ordinance.

(a) United States Government Obligations;

(b) certificates of deposit or time deposits, whether negotiable or nonnegotiable, issued by any bank or trust company organized under the laws of the United States or any state, provided that such certificates of deposit or time deposits shall be either (1) continuously and fully insured by the Federal Deposit Insurance Corporation, or (2) continuously and fully secured by United States Government Obligations which shall have a market value, exclusive of accrued interest, at all times at least equal to the principal amount of such certificates of deposit or time deposits; and

(c) any other securities or investments that are lawful for the investment of moneys held in such funds or accounts under the laws of the State of Missouri.

**“Person”** means any natural person, corporation, partnership, firm, joint venture, association, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof or other public body.

**“Project”** means the various repairs, replacements, improvements, renovations, expansions and additions to the City’s Parks System to be financed with proceeds of the Bonds.

**“Project Fund”** means the fund by that name referred to in the Bond Ordinance.

**“Purchaser”** means D.A. Davidson & Co., Denver, Colorado, the original purchaser of the Bonds.

**“Rebate Fund”** means the fund by that name referred to in the Bond Ordinance.

**“Record Date”** for the interest payable on any Interest Payment Date means the 15th day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date.

**“Redemption Date”** when used with respect to any Bond to be redeemed means the date fixed for such redemption pursuant to the terms of the Bond Ordinance.

**“Redemption Price”** when used with respect to any Bond to be redeemed means the price at which such Bond is to be redeemed pursuant to the terms of the Bond Ordinance, including the applicable redemption premium, if any, but excluding installments of interest whose Stated Maturity is on or before the Redemption Date.

**“Replacement Bonds”** means Bonds issued to the beneficial owners of the Bonds in accordance with the Bond Ordinance.

**“Securities Depository”** means, initially, The Depository Trust Company, New York, New York, and its successors and assigns.

**“Special Obligation Debt Service Fund”** means the fund by that name referred to in the Bond Ordinance.

**“Special Record Date”** means the date fixed by the Paying Agent pursuant to the Bond Ordinance for the payment of Defaulted Interest.

**“Stated Maturity”** when used with respect to any Bond or any installment of interest thereon means the date specified in such Bond and the Bond Ordinance as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

**“United States Government Obligations”** means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America, including evidences of a direct ownership interest in future interest or principal payments on obligations issued or guaranteed by the United States of America (including the interest component of obligations of the Resolution Funding Corporation).

### **Security for the Bonds**

The Bonds shall be special obligations of the City payable as to both principal and interest solely from annual appropriations of funds by the City Council for such purpose to be deposited in the Special Obligation Debt Service Fund. The obligation of the City to make payments into the Special Obligation Debt Service Fund and for any other obligations of the City under the Bond Ordinance do not constitute a general obligation or indebtedness of the City for which the City is obligated to levy or pledge any form of taxation, or for which the City has levied or pledged any form of taxation and shall not be construed to be a debt of the City in contravention of any applicable constitutional, statutory or City charter limitation or requirement but in each Fiscal Year shall be payable solely from the amounts pledged or appropriated therefor (1) out of the income and revenues provided for such Fiscal Year, plus (2) any unencumbered balances for previous Fiscal Years. Subject to the preceding sentence, the obligations of the City to make payments hereunder and to perform and observe any other covenant and agreement contained herein shall be absolute and unconditional.

The covenants and agreements of the City contained in the Bond Ordinance and in the Bonds shall be for the equal benefit, protection and security of the legal owners of any or all of the bonds, all of which Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the funds to the payment of the principal of and the interest on the Bonds, or otherwise, except as to the rate of interest and Stated Maturity as provided in the Bond Ordinance.

### **Covenant to Request Appropriations**

Under the Bond Ordinance, the City Council directs that from and after delivery of the Bonds and so long as any of the Bonds remain Outstanding, subject to the Bond Ordinance, the Mayor, the City Administrator, the Director of Finance or any other officer of the City at any time charged with the responsibility of formulating budget proposals to include in each annual budget an appropriation of the amount necessary (after taking into account any moneys legally available for such purpose) to pay debt service on the Bonds and to make other payments required pursuant to the Bond Ordinance. The City is not required or obligated to make any such annual appropriation, and the decision whether or not to appropriate such funds will be solely within the discretion of the then current City Council.

### **Establishment of Funds and Accounts**

There have been or shall be established in the treasury of the City and shall be held and administered by the Director of Finance of the City a Project Fund and a Special Obligation Debt Service Fund. Each fund shall be maintained as a separate and distinct fund and the moneys therein shall be held, managed, invested, disbursed and administered as provided in the Bond Ordinance. All moneys deposited in the funds shall be



used solely for the purposes set forth in the Bond Ordinance. The City shall keep and maintain adequate records pertaining to each fund and all disbursements therefrom.

#### **Application of Moneys in the Project Fund**

Moneys in the Project Fund shall be used by the City solely for the purpose of (1) paying the cost of the Project as provided in the Bond Ordinance, in accordance with the plans and specifications therefor prepared by the City's architects and engineers and on file in the office of the City Clerk, including any alterations in or amendments to said plans and specifications deemed advisable by the City's architects and engineers and approved by the City Council, and (2) paying the costs and expenses of issuing the Bonds, including, but not limited to, the fees of attorneys, financial consultants, accountants, rating agencies, printers and others employed to render professional services and other costs, fees and expenses incurred in connection with the issuance of the Bonds.

Upon completion of the Project as hereinbefore provided, any surplus money remaining in the Project Fund and not required for the payment of unpaid costs thereof shall be deposited into the Special Obligation Debt Service Fund.

#### **Application of Moneys in the Special Obligation Debt Service Fund.**

All amounts paid and credited to the Special Obligation Debt Service Fund shall be expended and used by the City for the purpose of paying the Bonds as and when the same become due and the usual and customary fees and expenses of the Paying Agent. The Director of Finance is authorized and directed to withdraw from the Special Obligation Debt Service Fund sums sufficient to pay the Bonds and the fees and expenses of the Paying Agent as and when the same become due, and to forward such sums to the Paying Agent in a manner which ensures that the Paying Agent will receive immediately available funds in such amounts on or before the Business Day immediately preceding the dates when such principal, interest and fees of the Paying Agent will become due. If, through the lapse of time or otherwise, the Registered Owners of Bonds are no longer entitled to enforce payment of the Bonds or the interest thereon, the Paying Agent shall return said funds to the City. All moneys deposited with the Paying Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in the Bond Ordinance and shall be held in trust by the Paying Agent for the benefit of the Registered Owners of the Bonds entitled to payment from such moneys.

Any moneys or investments remaining in the Special Obligation Debt Service Fund after the redemption and payment of all the Bonds shall be transferred and paid into the appropriate fund(s) of the City as required by law.

#### **Application of Moneys in the Rebate Fund.**

There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Federal Tax Certificate. All money in the Rebate Fund shall be held in trust, to the extent required to satisfy the Rebate Amount (as defined in the Federal Tax Certificate), for payment to the United States of America, and neither the City nor the Registered Owner of any Bond shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section 505 and the Federal Tax Certificate.

The City shall periodically determine the rebatable arbitrage under Section 148(f) of the Code in accordance with the Federal Tax Certificate, and the City shall make payments to the United States Government at the times and in the amounts determined under the Federal Tax Certificate. Any funds remaining in the Rebate Fund after redemption and payment of all of the Bonds and the interest thereon and payment and satisfaction of any Rebate Amount, or provision made therefor, shall be released to the City.

Notwithstanding any other provision of the Bond Ordinance, the City's obligation to pay rebatable arbitrage to the United States and to comply with all other requirements of the Federal Tax Certificate will survive the defeasance or payment in full of the Bonds.

### **Payments Due on Saturdays, Sundays and Holidays**

In any case where a Bond Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Bond Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such Bond Payment Date.

### **Nonpresentment of Bonds**

If any Bond is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Bond have been made available to the Paying Agent all liability of the City to the Registered Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the Registered Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under the Bond Ordinance or on, or with respect to, said Bond. If any Bond is not presented for payment within one year following the date when such Bond becomes due at Maturity, the Paying Agent shall repay to the City the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the City, and the Registered Owner thereof shall be entitled to look only to the City for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the City shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

### **Deposit and Investment of Moneys**

Moneys in each of the funds and accounts created by and referred to in the Bond Ordinance shall be deposited in a bank or banks or other legally permitted financial institutions located in the State of Missouri that are members of the Federal Deposit Insurance Corporation. All such deposits shall be continuously and adequately secured by the banks or financial institutions holding such deposits as provided by the laws of the State of Missouri.

Moneys held in any fund or account held in the custody of the City referred to in the Bond Ordinance may be invested in Permitted Investments; provided, however, that no such investment shall be made for a period extending longer than the date when the moneys invested may be needed for the purpose for which such fund or account was created. All earnings on any investments held in any fund or account shall accrue to and become a part of such fund or account. In determining the amount held in any fund or account under any of the provisions of the Bond Ordinance, obligations shall be valued at the lower of the cost or the market value thereof.

### **Annual Audit**

Annually, promptly after the end of the Fiscal Year, the City will cause an audit to be made of its funds and accounts for the preceding Fiscal Year by an independent public accountant or firm of independent public accountants.

Within 30 days after the completion of each such audit and approval thereof by the City Council, a copy thereof shall be filed in the office of the City Clerk. Such audits filed in the office of the City Clerk shall at all times during the usual business hours of the City be open to the examination and inspection by any Registered Owner of any of the Bonds, or by anyone acting for or on behalf of such Registered Owner. The City will file or will cause to be filed a copy of the audit with the Municipal Securities Rulemaking Board in the manner and within the time period required under the Continuing

## Disclosure Undertaking.

As soon as possible after the completion of the annual audit, the City Council shall review such audit, and if the audit discloses that proper provision has not been made for all of the requirements of the Ordinance, the City shall, subject to the terms of the Bond Ordinance, promptly cure such deficiency.

## **Tax Covenants**

The City covenants and agrees that (1) it will comply with all applicable provisions of the Code necessary to maintain the exclusion from federal gross income of the interest on the Bonds and (2) comply with all provisions and requirements of the Federal Tax Certificate. The City will also pass such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions in order to ensure that the interest on the Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the City.

The covenants contained in the Bond Ordinance and in the Federal Tax Certificate will remain in full force and effect notwithstanding the defeasance of the Bonds pursuant to the Bond Ordinance or any other provision of this Ordinance until the final Maturity of all Bonds Outstanding.

## **Acceleration of Maturity Upon Default**

The City covenants and agrees that if it defaults in the payment of the principal of or interest on any of the Bonds as the same become due on any Bond Payment Date, or if the City or its governing body or any of the officers, agents or employees thereof fail or refuse to comply with any of the provisions of the Bond Ordinance or of the constitution or statutes of the State of Missouri, and such default continues for a period of 30 days after written notice specifying such default has been given to the City by any Registered Owner of any Bond then Outstanding, or if the City declares bankruptcy, then, at any time thereafter and while such default continues, the Registered Owners of 25% in principal amount of the Bonds then Outstanding may, by written notice to the City filed in the office of the City Clerk or delivered in person to said City Clerk, exercise any of the remedies specified below. This provision, however, is subject to the condition that if all arrears of interest upon all of said Bonds, except interest accrued but not yet due on such Bonds, and all arrears of principal upon all of said Bonds has been paid in full and all other defaults, if any, by the City under the provisions of the Bond Ordinance and under the provisions of the statutes of the State of Missouri have been cured, then and in every such case the Registered Owners of a majority in principal amount of the Bonds then Outstanding, by written notice to the City given as hereinbefore specified, may rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent default or impair any rights consequent thereon.

## **Other Remedies**

The provisions of the Bond Ordinance, including the covenants and agreements herein contained, shall constitute a contract among the City and the Registered Owners of the Bonds, and the Registered Owner or Owners of not less than 10% in principal amount of the Bonds at the time Outstanding shall have the right for the equal benefit and protection of all Registered Owners of Bonds similarly situated:

- (a) by mandamus or other suit, action or proceedings at law or in equity to enforce the rights of such Registered Owner or Owners against the City and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of the Bond Ordinance or by the constitution and laws of the State of Missouri;
- (b) by suit, action or other proceedings in equity or at law to require the City, its officers, agents and employees to account as if they were the trustees of an express trust; and

(c) by suit, action or other proceedings in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the Registered Owners of the Bonds.

**Limitation on Rights of Bondowners**

The covenants and agreements of the City contained herein and in the Bonds shall be for the equal benefit, protection and security of the legal owners of any or all of the Bonds. All of the Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the funds herein pledged to the payment of the principal of and the interest on the Bonds, or otherwise, except as to rate of interest, or date of Maturity or right of prior redemption as provided in the Bond Ordinance. No one or more Bondowners secured hereby shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for herein, or to enforce any right hereunder, except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Registered Owners of such Outstanding Bonds.

**No Obligation to Levy Taxes**

Nothing contained in the Bond Ordinance shall be construed as imposing on the City any duty or obligation to levy any taxes either to meet any obligation incurred herein or to pay the principal of or interest on the Bonds.

**Defeasance**

When any or all of the Bonds or the interest payments thereon shall have been paid and discharged, then the requirements contained in the Bond Ordinance and all other rights granted hereby shall terminate with respect to the Bonds or interest payments so paid and discharged. Bonds or the 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 located in the State of Missouri and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said Bonds or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and/or Defeasance Obligations which, together with the interest to be earned thereon, will be sufficient for the payment of the principal or Redemption Price of said Bonds, and/or interest to accrue on such Bonds to the Stated Maturity or Redemption Date, as the case may be, or if default in such payment shall have occurred on such date, then to the date of the tender of such payments; provided, however, that if any such Bonds shall be redeemed prior to the Stated Maturity thereof, (1) the City shall have elected to redeem such Bonds, and (2) either notice of such redemption shall have been given, or the City shall have given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Paying Agent to redeem such Bonds in compliance with the Bond Ordinance.

## **Amendments**

The Continuing Disclosure Undertaking is exempt from the provisions of this section in the Bond Ordinance and is subject to amendment and modification only as provided therein. The rights and duties of the City and the Bondowners, and the terms and provisions of the Bonds or of the Bond Ordinance, may be amended or modified at any time in any respect by ordinance of the City with the written consent of the Registered Owners of not less than a majority in principal amount of the Bonds then Outstanding, such consent to be evidenced by an instrument or instruments executed by such Registered Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the City Clerk, but no such modification or alteration shall:

- (a) extend the maturity of any payment of principal or interest due upon any Bond;
- (b) effect a reduction in the amount which the City is required to pay as principal of or interest on any Bond;
- (c) permit preference or priority of any Bond over any other Bond; or
- (d) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of the Bond Ordinance.

Any provision of the Bonds or of the Bond Ordinance may, however, be amended or modified by ordinance duly adopted by the City Council at any time in any legal respect with the written consent of the Registered Owners of all of the Bonds at the time Outstanding.

Without notice to or the consent of any Bondowners, the City may amend or supplement the Bond Ordinance for the purpose of curing any formal defect, omission, inconsistency or ambiguity therein, or in connection with any other change therein which is not materially adverse to the security of the Bondowners.

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## APPENDIX D

### FORM OF CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated as of November 20, 2019 (this “**Continuing Disclosure Undertaking**”), is executed and delivered by **CITY OF JEFFERSON, MISSOURI** (the “**Issuer**”).

#### RECITALS

1. This Continuing Disclosure Undertaking is executed and delivered by the Issuer in connection with the issuance by the Issuer of **\$7,305,000 Special Obligation Improvement Bonds (Parks System Project), Series 2019** (the “**Bonds**”), pursuant to an ordinance passed by the City Council of the Issuer (the “**Ordinance**”).

2. The Issuer is entering into this Continuing Disclosure Undertaking for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “**Rule**”). The Issuer is the only “**obligated person**” with responsibility for continuing disclosure hereunder.

The Issuer 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 Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“**Annual Report**” means any Annual Report provided by the Issuer pursuant to, and as described in, **Section 2** of this Continuing Disclosure Undertaking.

“**Beneficial Owner**” means any registered owner of any Bonds and any person which (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.

“**Business Day**” means a day other than (a) a Saturday, Sunday or legal holiday, (b) a day on which banks located in any city in which the principal office or designated payment office of the paying agent or the Dissemination Agent is located are required or authorized by law to remain closed, or (c) a day on which the Securities Depository or the New York Stock Exchange is closed.

“**Dissemination Agent**” means any entity designated in writing by the Issuer to serve as dissemination agent pursuant to this Continuing Disclosure Undertaking and which has filed with the Issuer a written acceptance of such designation.

“**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](http://www.emma.msrb.org).

“**Financial Obligation**” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; *provided however*, the term Financial Obligation shall not include

municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“**Fiscal Year**” means the 12-month period beginning on **November 1** and ending on **October 31** 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 Undertaking.

“**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 underwriter(s) of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

## **Section 2. Provision of Annual Reports.**

- (a) The Issuer shall, not later April 30th after the end of the Issuer’s Fiscal Year, commencing with the Fiscal Year ended October 31, 2019, file with the MSRB, through EMMA, the following financial information and operating data (the “**Annual Report**”):
- (1) The audited financial statements of the Issuer for the prior Fiscal Year, prepared in accordance with accounting principles generally accepted in the United States. If audited financial statements are not available by the time the Annual Report is required to be provided pursuant to this Section, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement relating to the Bonds, and the audited financial statements shall be provided in the same manner as the Annual Report promptly after they become available.
  - (2) Updates as of the end of the Fiscal Year of certain financial information and operating data contained in the final Official Statement related to the Bonds, as described in **Exhibit A**, in substantially the same format contained in the final Official Statement with such adjustments to formatting or presentation determined to be reasonable by the Issuer.

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 Issuer is an “**obligated person**” (as defined by the Rule), which have been provided to 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 Issuer shall clearly identify each such other document so included by reference.

In each case, the Annual Report may be submitted 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 Issuer may be submitted 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. If the Issuer’s Fiscal Year changes, it shall give notice of such change in the same manner as for a Material Event



under **Section 3**, and the Annual Report deadline provided above shall automatically become the last day of the sixth month after the end of the Issuer's new fiscal year.

- (b) The Annual Report shall be filed with the MSRB in such manner and format as is prescribed by the MSRB.

**Section 3. Reporting of Material Events.** Not later than **10** Business Days after the occurrence of any of the following events, the Issuer 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 obligated person;
- (13) the consummation of a merger, consolidation, or acquisition involving the obligated person or the sale of all or substantially all of the assets of the obligated person, 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;
- (14) appointment of a successor or additional trustee or the change of name of the trustee, if material;
- (15) incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

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

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

**Section 5. Dissemination Agents.** The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign as dissemination agent hereunder at any time upon **30** days prior written notice to the Issuer. 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 Issuer pursuant to this Continuing Disclosure Undertaking.

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

In the event of any amendment or waiver of a provision of this Continuing Disclosure Undertaking, the Issuer 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 Issuer. 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 Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Undertaking 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 Undertaking. If the Issuer 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 Undertaking, the Issuer shall have no obligation under this Continuing Disclosure Undertaking 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 Issuer fails to comply with any provision of this Continuing Disclosure Undertaking, 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 Issuer to comply with its obligations under this Continuing Disclosure Undertaking. A default under this Continuing Disclosure Undertaking shall not be deemed an event of default under the Ordinance or the Bonds, and the sole remedy under this Continuing Disclosure Undertaking in the event of any failure of the Issuer to comply with this Continuing Disclosure Undertaking shall be an action to compel performance.

**Section 9. Beneficiaries.** This Continuing Disclosure Undertaking shall inure solely to the benefit of the Issuer, the Participating Underwriter, and the 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 Undertaking, 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 arrangement described herein may be conducted and related documents may be sent, received, or stored 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 Undertaking shall be governed by and construed in accordance with the laws of the State of Missouri.

**IN WITNESS WHEREOF,** the Issuer has caused this Continuing Disclosure Undertaking to be executed as of the day and year first above written.

**CITY OF JEFFERSON, MISSOURI**

(SEAL)

By: \_\_\_\_\_  
Name: Carrie Tergin  
Title: Mayor

By: \_\_\_\_\_  
Name: Emily Donaldson  
Title: City Clerk

**EXHIBIT A  
TO CONTINUING DISCLOSURE UNDERTAKING**

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

The financial information and operating data contained in the tables under the following described sections in *Appendix A* of the final Official Statement relating to the Bonds:

- **FINANCIAL INFORMATION**
  - **Sources of Revenue**
  - **Summary of Receipts, Expenditures and Changes in Governmental Fund Balances**
- **TAX INFORMATION**
  - **Property Valuations**
    - *History of Property Valuations*
  - **Property Tax Collection Record**
  - **Sales Tax Collections**

## APPENDIX E

### BOOK-ENTRY ONLY SYSTEM

*The following information concerning DTC and DTC's Book-Entry Only System has been obtained from sources that the City believes to be reliable, but is not guaranteed as to accuracy or completeness by and is not to be construed as a representation by the City, the Paying Agent or the Underwriter. The City, the Paying Agent and the Underwriter make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners will act in accordance with the procedures described above or in a timely manner.*

**General.** The Bonds are available in book-entry only form. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds. Ownership interests in the Bonds will be available to purchasers only through a book-entry system (the "**Book-Entry System**") maintained by The Depository Trust Company ("**DTC**"), New York, New York.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities 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, each in the aggregate principal amount of such maturity, and will be deposited with DTC. The following discussion will not apply to any Bonds issued in certificate form due to the discontinuance of the DTC Book Entry Only System, as described below.

**DTC and its Participants.** 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](http://www.dtcc.com).

**Purchase of Ownership Interests.** Purchases of the 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.

**Transfers.** 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 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.

**Notices.** 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 the 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 Ordinance. For example, Beneficial Owners of the 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 Paying Agent 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 maturity to be redeemed.

**Voting.** Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's 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).

**Payments of Principal, Redemption Price and Interest.** Payment of principal or redemption price of and interest 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 the Paying Agent, on the payment 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, its nominee, 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 on the Bonds 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 will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

**Discontinuation of Book-Entry System.** 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 as described in the Bond Ordinance.

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, 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), and delivered to DTC (or a successor securities depository), to be held by it as

securities depository for Direct Participants. If, however, the system of book-entry-only transfers has been discontinued and a Direct Participant has elected to withdraw its Bonds from DTC (or such successor securities depository), Bond certificates may be delivered to Beneficial Owners in the manner described in the Bond Ordinance.

***RESPONSIBILITY OR OBLIGATIONS TO SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE PARTICIPANTS, THE INDIRECT PARTICIPANTS, OR THE BENEFICIAL OWNERS.***

***THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE CITY AND THE UNDERWRITER BELIEVE TO BE RELIABLE, BUT THE CITY AND THE UNDERWRITER TAKE NO RESPONSIBILITY FOR THE ACCURACY THEREOF, AND NEITHER THE PARTICIPANTS NOR THE BENEFICIAL OWNERS SHOULD RELY ON THE FOREGOING INFORMATION WITH RESPECT TO SUCH MATTERS BUT SHOULD INSTEAD CONFIRM THE SAME WITH DTC OR THE PARTICIPANTS, AS THE CASE MAY BE.***

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