

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

**NEW ISSUE
BOOK-ENTRY ONLY**

**RATING: S&P: "A+"
See "Rating" herein.**

In the opinion of Gilmore & Bell, P.C., Special Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended, (1) the interest component of the Rental Payments paid by the City with respect to the Series 2019 Certificates (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal and Missouri income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax, and (2) the Series 2019 Certificates are not "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. See "TAX MATTERS" in this Official Statement.

**\$5,045,000
CITY OF MARYVILLE, MISSOURI
REFUNDING AND IMPROVEMENT
CERTIFICATES OF PARTICIPATION
SERIES 2019**

Dated: Date of Delivery

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

The Series 2019 Certificates are deliverable only as fully registered certificates, without coupons, and, when delivered, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Series 2019 Certificates. Purchases of the Series 2019 Certificates will be made in book-entry form, in authorized denominations. Purchasers will not receive certificates representing their interests in Series 2019 Certificates purchased. So long as Cede & Co. is the registered owner of the Series 2019 Certificates, as nominee of DTC, references herein to the owners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (herein defined) of the Series 2019 Certificates. Principal and interest components of Rental Payments represented by the Series 2019 Certificates will be payable at maturity or upon earlier prepayment at the payment office of UMB Bank, N.A., Kansas City, Missouri, as trustee and paying agent (the "Trustee" and "Paying Agent"). So long as DTC or its nominee, Cede & Co., is the owner, such payments will be made directly to such owner. DTC is expected, in turn, to remit such payments to the DTC Participants (herein defined) for subsequent disbursement to the Beneficial Owners.

The Series 2019 Certificates will be delivered in the denomination of \$5,000 or any integral multiple thereof. Principal components of Rental Payments will be payable each September 1, beginning September 1, 2020, and semiannual interest components of Rental Payments will be payable each March 1 and September 1, beginning March 1, 2020. Principal components of Rental Payments will be payable by check or draft mailed by the Trustee upon presentation and surrender of the Series 2019 Certificates by the registered owners thereof at the payment office of the Trustee. Interest components of Rental Payments will be payable by check or draft mailed (or by electronic transfer in certain circumstances as described herein) by the Trustee to the person in whose name each Series 2019 Certificate is registered on the 15th day of the month next preceding each interest payment date.

The Series 2019 Certificates evidence undivided ownership interests in the right to receive Rental Payments from the City under an annually renewable Lease Purchase Agreement dated as of December 1, 2019 (the "Lease Agreement"), between the Trustee, as lessor, and the City, as lessee. The Series 2019 Certificates are to be executed and delivered pursuant to a Trust Indenture dated as of December 1, 2019 (the "Indenture"), executed by the Trustee and the City. The net proceeds from the Series 2019 Certificates, together with other available funds of the City, will be used to (1) finance the costs of certain improvements for the City as further described herein, (2) refund the City's Taxable Certificates of Participation (Build America Bonds – Direct Pay), Series 2010B as further described herein, and (3) to pay the costs related to the delivery and sale of the Series 2019 Certificates and the refunding of the Series 2010B Certificates.

Neither the Series 2019 Certificates nor the Lease Agreement shall constitute a liability or obligation of the City beyond the Lease Term in effect at any time. The City is under no obligation to renew the Lease Agreement at the end of the Original Term or any Renewal Term. Neither the Series 2019 Certificates nor the Lease Agreement will constitute a general obligation or indebtedness of the City within the meaning of any constitutional or statutory debt limitation or restriction.

Series 2019 Certificates shall be subject to payment prior to maturity as more fully described herein.

The Series 2019 Certificates will be offered when, as and if delivered and approved by the Underwriter, subject to prior sale, modification or withdrawal of the offer without sale, and subject to the approval of validity and certain other matters by Gilmore & Bell, P.C., Kansas City, Missouri, Special Counsel, and certain other conditions. Certain legal matters related to this Official Statement will be passed upon by Gilmore & Bell, P.C. It is expected that the Series 2019 Certificates will be available for delivery in New York, New York on or about December 17, 2019.

Baird

The date of this Official Statement is December 4, 2019.

\$5,045,000
CITY OF MARYVILLE, MISSOURI
REFUNDING AND IMPROVEMENT
CERTIFICATES OF PARTICIPATION
SERIES 2019

MATURITY SCHEDULE

Serial Certificates

| <u>Maturity Date</u> <u>September 1</u> | <u>Principal</u> <u>Amount</u> | <u>Interest</u> <u>Rate</u> | <u>Price</u> |
|--|---|--|---------------------|
| 2020 | \$210,000 | 4.000% | 101.888% |
| 2021 | 395,000 | 4.000 | 104.486 |
| 2022 | 405,000 | 4.000 | 106.987 |
| 2023 | 425,000 | 4.000 | 109.355 |
| 2024 | 445,000 | 4.000 | 111.315 |
| 2025 | 465,000 | 4.000 | 113.035 |
| 2026 | 480,000 | 4.000 | 114.515 |
| 2027 | 180,000 | 3.000 | 108.596 |
| 2028 | 190,000 | 3.000 | 107.848* |
| 2029 | 300,000 | 3.000 | 107.106* |
| 2030 | 310,000 | 2.250 | 99.526 |
| 2031 | 320,000 | 2.375 | 99.744 |
| 2032 | 140,000 | 2.375 | 99.183 |
| 2033 | 140,000 | 2.500 | 100.000 |
| 2034 | 135,000 | 2.500 | 99.388 |
| 2035 | 125,000 | 2.500 | 98.715 |
| 2036 | 125,000 | 2.625 | 99.662 |
| 2037 | 130,000 | 2.625 | 98.947 |
| 2038 | 125,000 | 2.750 | 100.000 |

*Priced to call date.

CITY OF MARYVILLE, MISSOURI
415 North Market Street
P.O. Box 438
Maryville, Missouri 64468
(660) 562-8001

CITY COUNCIL

Rachael Martin, Mayor
Benjamin Lipiec, Mayor Pro Tem
Tye Parsons, Council Member
Jason McDowell, Council Member
Matt Johnson, Council Member

CITY ADMINISTRATION

Greg McDanel, City Manager
Ryan Heiland, Assistant City Manager
Denise Town, Finance Director
Stacy Wood, City Clerk

FINANCIAL ADVISOR

Piper Jaffray & Co.
Leawood, Kansas

SPECIAL COUNSEL

Gilmore & Bell, P.C
Kansas City, Missouri

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2019 CERTIFICATES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE SERIES 2019 CERTIFICATES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS.

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.

No dealer, broker, salesperson or other person has been authorized by the City or the Underwriter to give any information or to make any representation with respect to the Series 2019 Certificates offered hereby 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 may there be any sale of the Series 2019 Certificates offered hereby 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 obtained from the City and from other sources believed to be reliable, but it 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 will, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

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

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THESE FUTURE RISKS AND UNCERTAINTIES INCLUDE THOSE DISCUSSED IN THE “RISK FACTORS AND INVESTMENT CONSIDERATIONS” SECTION OF THIS OFFICIAL STATEMENT. NEITHER THE CITY NOR ANY OTHER PARTY PLANS TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN THEIR EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES UPON WHICH SUCH STATEMENTS ARE BASED OCCUR.

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OFFICIAL STATEMENT

\$5,045,000
CITY OF MARYVILLE, MISSOURI
REFUNDING AND IMPROVEMENT
CERTIFICATES OF PARTICIPATION
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 the entire Official Statement and should be read in conjunction with the more detailed information and financial statements of the City contained in the specific sections of this Official Statement and a full review should be made of the entire Official Statement and the documents summarized or described herein.

Purpose of this Official Statement

This Official Statement, including its appendices, is furnished to provide information relating to the City of Maryville, Missouri (the “City”) and \$5,045,000 aggregate principal amount of the City of Maryville, Missouri Refunding and Improvement Certificates of Participation, Series 2019 (the “Series 2019 Certificates”).

The City

The City is a third-class city organized and existing under the laws of the State of Missouri. See “GENERAL AND DEMOGRAPHIC INFORMATION” in *Appendix A* to this Official Statement.

Purpose of the Series 2019 Certificates

The proceeds from the sale of the Series 2019 Certificates will be used, together with other available funds of the City, to (1) acquire, construct, improve furnish and equip water treatment plant membranes, to design phase 2 and 3 for improvements to South Main Street (including construction monitoring and administration costs related to the road project), to acquire and install new downtown traffic signals, to renovate and improve city hall and to acquire and install emergency dispatch furniture, fixtures and equipment in the new public safety facility (collectively, the “Project”), (2) refund and refinance the City’s outstanding Taxable Certificates of Participation (Build America Bonds – Direct Pay), Series 2010B (the “Series 2010B Certificates”), and (3) to pay the costs related to the delivery of the Series 2019 Certificates and the refunding of the Series 2010B Certificates. See the caption “PLAN OF FINANCE” herein.

Security and Source of Payment

Pursuant to the terms of a Lease Purchase Agreement dated as of December 1, 2019 (the “Lease Agreement”), between the City and UMB Bank, N.A., as trustee (the “Trustee”) and a Trust Indenture dated as of December 1, 2019 (the “Indenture”) between the City and the Trustee, (a) the City will transfer all interest in certain personal property (the “Leased Property”) to the Trustee, (b) the proceeds of the Series 2019 Certificates will be used to finance the costs of the Project and to refund the Series 2010B Certificates, and (c) the Trustee will lease the Leased Property (which does not include any interest in the underlying real property) to the City for an initial term ending September 30, 2020 (the “Original Term”), with successive one-year renewal options, provided that the final renewal term does not extend beyond September 30, 2038 (the “Renewal Terms”), which Renewal Terms are subject to the City’s annual budget appropriations.

The Series 2019 Certificates evidence undivided ownership interests in the right to receive lease payments (the “Rental Payments,” consisting of “Principal Components” and “Interest Components”) under the Lease Agreement. The Series 2019 Certificates are being executed and delivered pursuant to the Indenture, which will be executed by the City and the Trustee.

The Series 2019 Certificates will be payable solely from the rents, revenues and receipts received by the Trustee, as lessor under the Lease Agreement, for the use of the Leased Property and not from any other fund or source of the Trustee, from certain proceeds of insurance policies or condemnation awards, from interest earnings on moneys in certain funds held by the Trustee, from money derived from the sale or lease of the Leased Property or portions thereof and not from any other fund or source of the Trustee. Pursuant to the Indenture, the Trustee will pledge and assign such rents, revenues and receipts and other moneys to the payment of the Series 2019 Certificates and the Interest Component due thereon. The City intends to satisfy its obligation to make Rental Payments from appropriated funds from the City’s capital improvement fund and revenues available from the City’s combined waterworks and sewerage system (the “System”). Purchasers of the Series 2019 Certificates should be aware, however, that such funds are not pledged to the payment of the Series 2019 Certificates. Neither property taxes, sales taxes nor other funds, are, or can be, pledged to the payment of the Series 2019 Certificates. Historical collections of taxes are set out in *Appendix A* to this Official Statement.

Parity Obligations

The Indenture provides for the future delivery of additional certificates (“Additional Certificates”) which, if delivered, would rank on a parity with the Series 2019 Certificates and any other certificates then outstanding under the Indenture. See the caption “SECURITY FOR THE SERIES 2019 CERTIFICATES – Parity Obligations” herein. The Series 2019 Certificates and any future Additional Certificates delivered under the Indenture are hereinafter referred to collectively as the “Certificates.”

Limited Obligations

The payments scheduled to be made by the City under the Lease Agreement are payable solely from amounts which may but are not required to be appropriated annually by the City. See “SECURITY FOR THE SERIES 2019 CERTIFICATES” herein. The Series 2019 Certificates, the Lease Agreement and any payments required under the Lease Agreement shall not constitute a mandatory payment obligation of the City in any year beyond the year during which the City is a lessee under the Lease Agreement, or constitute or give rise to a general obligation or other indebtedness of the City. The City is not legally obligated to budget or appropriate moneys for any fiscal year beyond the current fiscal year or any subsequent fiscal year in which the Lease Agreement is in effect, and there can be no assurance that the City will appropriate funds to make Rental Payments or renew the Lease Agreement after the Original Term or any Renewal Term of the Lease Agreement. The City may terminate its obligations under the Lease Agreement on an annual basis. The City will have the option to purchase the Trustee’s interest in the Leased Property as provided in the Indenture and the Lease Agreement.

Except for its duties as Trustee to make payments from the funds and accounts created and held under the Indenture, UMB Bank, N.A. has no obligation to make any debt service payment on the Series 2019 Certificates or any payments under the Lease Agreement.

Risk Factors

Payment of the Principal Component and Interest Component distributable with respect to the Series 2019 Certificates is subject to certain risks. See the caption “RISK FACTORS AND INVESTMENT CONSIDERATIONS.”

Continuing Disclosure Information

The City has covenanted in its Continuing Disclosure Certificate to provide certain financial information and notices of material events to the Municipal Securities Rulemaking Board, in compliance with Rule 15c2-12 promulgated by the Securities and Exchange Commission.

Other Information

This Official Statement includes financial and other information about the City and also contains descriptions of the Series 2019 Certificates, the Lease Agreement and the Indenture. See “DEFINITIONS OF TERMS AND SUMMARIES OF CERTAIN DOCUMENTS” in *Appendix C* hereto. The descriptions of the Series 2019 Certificates, the Lease Agreement, the Indenture and other documents described in this Official Statement do not purport to be definitive or comprehensive, and all references to those documents are qualified in their entirety by reference to the approved form of those documents, copies of which may be viewed at the offices of the City’s municipal advisor, Piper Jaffray & Co. (the “Municipal Advisor”), 11635 Rosewood Street, Leawood, Kansas 66211, (913) 345-3373, or will be provided to any prospective purchaser requesting the same, upon payment by such prospective purchaser of the cost of complying with such request.

THE SERIES 2019 CERTIFICATES

General

The Series 2019 Certificates will be dated their date of delivery, will mature on September 1 in the years and in the respective principal amounts (subject to prior prepayment as described herein) and shall bear interest at the respective rates per annum, as set forth on the Inside Cover Page hereof. The Series 2019 Certificates will be delivered in fully registered form in the denominations of \$5,000 or any integral multiple thereof. The Principal Component and prepayment premium, if any, of Rental Payments represented by Series 2019 Certificates shall be payable by check or draft mailed to the registered owner thereof at the payment office of the Trustee upon presentation and surrender thereof. The Interest Components of Rental Payments represented by the Series 2019 Certificates shall be payable semiannually on March 1 and September 1, beginning March 1, 2020, to the registered owner of each Certificate, determined as of the close of business on the Record Date (which shall be the fifteenth day of the calendar month next preceding the Certificate Payment Date) (a) by check or draft mailed to such registered owner at the address appearing on the registration books of the Trustee or its successor, as registrar, or (b) in the case of an interest payment to the Securities Depository or to any other Registered Owner of \$500,000 or more in aggregate principal amount of the Series 2019 Certificates, by electronic transfer to such Registered Owner upon written request given to the Trustee by such Registered Owner, not less than 5 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank (which shall be in the continental United States), ABA routing number and account name and account number to which such Registered Owner wishes to have such transfer directed. All such payments shall be made in lawful money of the United States of America.

Prepayment of Series 2019 Certificates

Optional Prepayment. The Series 2019 Certificates are subject to prepayment on and after September 1, 2027, as a whole or in part at any time at 100% of the Principal Component represented thereby, plus the Interest Component accrued thereon to the prepayment date.

Extraordinary Optional Prepayment. The Series 2019 Certificates shall be subject to extraordinary optional prepayment prior to the stated maturity thereof, upon instructions from the City, as a whole or in part at any time at a price of 100% of the Principal Component represented thereby, plus the Interest Component accrued thereon to the prepayment date, upon the occurrence of any of the following conditions or events:

- (a) if title to, or if the temporary or permanent use of, all or substantially all of the Leased Property or the estate of the City or the Trustee in such Leased Property shall be taken in any condemnation proceeding brought by any authority (other than the City or any entity controlled by or affiliated with the City) having the power of eminent domain;
- (b) if title to all, or substantially all, of the Leased Property is found to be deficient or nonexistent to the extent that such Leased Property is untenable or the efficient utilization of such Leased Property by the City is impaired;

- (c) if all, or substantially all, of the Leased Property is damaged or destroyed by fire or other casualty;
or
- (d) if as a result of changes in the Constitution of the State of Missouri or of legislative or administrative action by the State of Missouri or any political subdivision thereof, or by the United States, or by reason of any action instituted in any court, the Indenture or the Lease Agreement shall become void or unenforceable, or impossible of performance without reasonable delay, or in any other way by reason of such change of circumstances, unreasonable burdens or excessive liabilities are imposed on the City.

Selection of Series 2019 Certificates to be Prepaid

Series 2019 Certificates shall be prepaid only in the principal amount of \$5,000 or any integral multiple thereof. When less than all of the Outstanding Series 2019 Certificates are to be paid prior to maturity, such Series 2019 Certificates shall be prepaid from such maturities selected by the City, with Series 2019 Certificates of less than a full maturity to be selected by the Trustee in \$5,000 units of face value by lot or in such other equitable manner as the Trustee may determine.

Notice of Prepayment

Notice of the prepayment identifying the Series 2019 Certificates or portions thereof to be prepaid shall be given by the Trustee to the Owners of Series 2019 Certificates by mailing a copy of the notice by first-class mail, postage pre-paid, at least 20 days prior to the date of prepayment to the Owner of each Certificate to be prepaid at the address shown on the registration books maintained by the Trustee or at such other address as is furnished in writing by such Owner to the Trustee; provided, however, that any defect in giving such notice by mailing as aforesaid shall not affect the validity of any proceedings for the prepayment of Series 2019 Certificates. Any notice of prepayment shall state the date and place of prepayment, the maturities and the CUSIP numbers of the Series 2019 Certificates or portions of Certificates to be prepaid (and in the case of the prepayment of a portion of any Series 2019 Certificates, the amount of Principal Component being paid), the prepayment price and that interest will cease to accrue from and after the prepayment date.

Prepayments

Prior to the date fixed for prepayment, funds shall be deposited with the Trustee to pay, and the Trustee is authorized and directed to apply such funds to the prepayment of, the Series 2019 Certificates, together with the Interest Component accrued thereon to the prepayment date, and any required premium. Upon the giving of notice and the deposit of such funds or government securities as may be available for prepayment pursuant to the Indenture, the Interest Components of Rental Payments represented by the Series 2019 Certificates or portions thereof thus called shall no longer accrue after the date fixed for prepayment.

Registration, Transfer and Exchange of Series 2019 Certificates

Any Series 2019 Certificate may be transferred or exchanged only upon the Register upon surrender thereof at the payment office of the Trustee duly endorsed for transfer or accompanied by an assignment or authorization for exchange duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee. Upon any such transfer or exchange, the Trustee shall execute and deliver in exchange for such Series 2019 Certificate a new fully registered Series 2019 Certificate or Certificates, registered in the name of the transferee, of the same series and maturity, of any denomination or denominations authorized by the Indenture, and bearing interest at the same rate.

In all cases in which Series 2019 Certificates shall be exchanged or transferred, the Trustee shall execute and deliver Series 2019 Certificates in accordance with the Indenture. All Series 2019 Certificates surrendered in any such exchange or transfer shall forthwith be cancelled by the Trustee. The Trustee may make a charge to the Registered Owner requesting the same for every such exchange or transfer of Series 2019 Certificates sufficient to

reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer, and such charge shall be paid before any such new Certificate shall be delivered. The fees and charges of the Trustee for making any transfer or exchange hereunder and the expense of any certificate printing necessary to effect such transfer or exchange shall be paid by the City.

THE BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2019 Certificates. The Series 2019 Certificates will be delivered 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 Certificate will be issued for each maturity of the Series 2019 Certificates.

DTC 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, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2019 Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2019 Certificates on DTC’s records. The ownership interest of each actual purchaser of each Certificate (“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 Series 2019 Certificates 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 Series 2019 Certificates, except in the event that use of the book-entry system for the Series 2019 Certificates is discontinued.

To facilitate subsequent transfers, all Series 2019 Certificates 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 Series 2019 Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2019 Certificates; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2019 Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2019 Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2019 Certificates, such as prepayments, defaults, and proposed amendments to the related documents. For example, Beneficial Owners of Series 2019 Certificates may wish to ascertain that the nominee holding the Series 2019 Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Prepayment notices shall be sent to DTC. If less than all of the Series 2019 Certificates within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2019 Certificates 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 Series 2019 Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of Principal Components and Interest Components on the Certificates 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 Trustee, on each payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of prepayment proceeds, distributions, and dividend payments 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 Trustee, 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.

DTC may discontinue providing its services as depository with respect to the Series 2019 Certificates at any time by giving reasonable notice to the City or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2019 Certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2019 Certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof, and neither the DTC 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 DTC Participants, as the case may be.

Transfer Outside Book-Entry Only System

If the Book-Entry Only System is discontinued the following provisions would apply. The Series 2019 Certificates are transferable only upon the Register upon presentation and surrender of the Series 2019 Certificates, together with instructions for transfer. Series 2019 Certificates may be exchanged for other Series 2019 Certificates of any denomination authorized by the Indenture in the same aggregate principal amount, series, payment date and interest rate, upon presentation to the Trustee, subject to the terms, conditions and

limitations and upon payment of any tax, fee or other governmental charge required to be paid with respect to any such registration, exchange or transfer.

SECURITY FOR THE SERIES 2019 CERTIFICATES

Nature of Series 2019 Certificates; Limited Obligations

Each Series 2019 Certificate evidences the undivided interest of the Owner thereof in the right to receive Rental Payments from the City under the Lease Agreement, and other payments, revenues and receipts derived under the Lease Agreement (including, in certain circumstances, Certificate proceeds and income from the temporary investment thereof and proceeds from insurance and condemnation awards), and are secured by a pledge and assignment of the Trust Estate granted by the Trustee in favor of the Owners of the Series 2019 Certificates, as provided in the Indenture. Neither the Lease Agreement nor the Series 2019 Certificates shall constitute a liability or obligation of the City beyond the Lease Term in effect at any time. The Series 2019 Certificates shall not constitute a general obligation or indebtedness of the City within the meaning of any constitutional or statutory debt limitation or restriction. The Lease Agreement is subject to termination on an annual basis at the option of the City.

The Original Term of the Lease Agreement shall commence on the date of its delivery (the “Commencement Date”), and subject to earlier termination pursuant to the provisions thereof, shall terminate on the last day of City’s current fiscal year (*i.e.*, September 30, 2020). The Lease Term may be extended, solely at the option of the City, at the end of the Original Term or any Renewal Term for an additional one-year Renewal Term for up to the final Renewal Term to expire not later than September 30, 2038. Under the terms of the Lease Agreement, if the City elects to renew the Lease Agreement at the end of the Original Term or any Renewal Term, it is obligated to budget, appropriate and set aside a portion of its revenues derived from property taxes, sales taxes and other sources, which appropriation shall be sufficient to make the Rental Payments coming due during the ensuing fiscal year.

The City is obligated to make two annual Rental Payments to the Trustee on or prior to each Certificate Payment Date during each fiscal year in which the Lease Agreement is in effect, which payments represent the Principal Components, redemption premium, if any, and Interest Components of Rental Payments represented by the Series 2019 Certificates becoming due during such fiscal year (but only if the City elects to renew the Lease Agreement for each Renewal Term). **THERE CAN BE NO ASSURANCE THAT THE CITY WILL APPROPRIATE FUNDS FOR RENTAL PAYMENTS OR RENEW THE LEASE AGREEMENT AFTER THE ORIGINAL TERM OR ANY RENEWAL TERM. NEITHER THE SERIES 2019 CERTIFICATES NOR THE LEASE AGREEMENT CONSTITUTE A GENERAL OBLIGATION OR OTHER INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY DEBT LIMITATION OR RESTRICTION, NOR A MANDATORY PAYMENT OBLIGATION IN ANY FISCAL YEAR SUBSEQUENT TO A FISCAL YEAR IN WHICH THE LEASE AGREEMENT IS IN EFFECT. THE CITY IS NOT LEGALLY REQUIRED TO BUDGET OR APPROPRIATE MONEYS FOR ANY SUBSEQUENT FISCAL YEAR BEYOND THE CURRENT FISCAL YEAR.**

The City will have the option to purchase the Trustee’s interest in the Leased Property as provided in the Indenture and the Lease Agreement. See “DEFINITIONS OF TERMS AND SUMMARIES OF CERTAIN DOCUMENTS – SUMMARY OF THE LEASE AGREEMENT - Option to Purchase the Leased Property,” and “SUMMARY OF THE INDENTURE - Satisfaction and Discharge of the Indenture” in *Appendix C* hereto.

Property Subject to the Lease Agreement

Pursuant to the provisions of the Lease Agreement and the Indenture between the Trustee and the City, (a) the Trustee will pay, from proceeds of the Sale of the Series 2019 Certificates, the costs of the Project, refund the Refunded Certificates, and pay costs related to the delivery of the Series 2019 Certificates and the refunding of the Series 2010B Certificates as described in this Official Statement, and (b) the Trustee will lease the Leased Property (the Series 2019 Certificates are not secured by any interest in real property) to the City for an initial term ending September 30, 2020 (the “Original Term”), with successive one-year renewal options, provided that the final

renewal term does not extend beyond September 30, 2038 (the “Renewal Terms”), which Renewal Terms are subject to annual budget appropriations. The Leased Property will include an interest in water treatment plant membranes, certain traffic signals, emergency dispatch furniture, fixtures and equipment in the new public safety facility and two elevated water storage tanks.

Parity Obligations

Additional Certificates may be delivered without the consent of the Owners of the Certificates (a) to refund the Certificates of any series in a manner which provides present value debt service savings to the City or (b) to make additional improvements as the City may deem necessary, so long as the total principal amount of all Certificates then Outstanding under the Indenture does not exceed \$6,000,000.

All Additional Certificates will be secured by the lien of the Indenture and the Lease Agreement and will rank on parity with the Series 2019 Certificates and any Additional Certificates. Unless provided otherwise in a supplement to the Indenture, any Additional Certificates will be in substantially the same form as the Series 2019 Certificates, but will bear such date or dates, bear such interest rate or rates, have such payment date or dates, prepayment dates and prepayment premiums, and be issued at such prices as are approved in writing by the City, subject to the requirements of the Indenture.

THE TRUSTEE

UMB Bank, N.A., Kansas City, Missouri, a national banking association authorized to transact business in the State of Missouri, will be the Trustee under the Indenture and a party to the Lease Agreement. The Trustee may consult with counsel, and the opinion of such counsel will be full and complete authorization and protection with respect to any action taken or suffered by the Trustee in good faith in accordance with such opinion. The Trustee may execute any trusts or powers or perform the duties required by the Indenture or the Lease Agreement by or through attorneys, agents or receivers and will not be answerable for the default or misconduct of any such attorney, agent or receiver selected by it in good faith.

The Series 2019 Certificates are executed by the Trustee, not individually or personally but solely as Trustee under the Indenture, in the exercise of the power and authority conferred upon and invested in it as such Trustee. Except for its negligence or willful misconduct, nothing contained in the Indenture or the Lease Agreement is to be construed as creating any liability on the Trustee, individually or personally, to perform any covenant either expressed or implied in the Certificates, the Indenture or the Lease Agreement, all such liability, if any, being expressly waived by the Owners of the Certificates by the acceptance thereof and by each and every person now or hereafter claiming by, through or under the Trustee or the Owners of the Certificates. Insofar as the City is concerned, the Trustee and the Owner of any Certificate and any person claiming by, through or under the Trustee or the Owner of any Certificate may look solely to the Trust Estate described in the Indenture for payment of the interests evidenced by the Certificates.

As security for the compensation, expenses, disbursements and indemnification to which it is entitled upon the occurrence of an Event of Default under the Indenture or an Event of Nonappropriation under the Lease Agreement, the Trustee will have a first lien with right of payment prior to payment on account of any Principal Components or Interest Components with respect to the Certificates for such compensation, expenses, disbursements and indemnification.

RISK FACTORS AND INVESTMENT CONSIDERATIONS

The purchase of the Series 2019 Certificates involves certain investment risks that are discussed throughout this Official Statement. Each prospective purchaser of the Series 2019 Certificates should make an independent evaluation of all of the information presented in this Official Statement in order to make an informed investment decision. Certain risk factors relating to the Series 2019 Certificates are described below.

General

The following is a discussion of certain risks that could affect the Rental Payments and other payments to be made by the City with respect to the Lease Agreement and the Series 2019 Certificates. In order to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement (including the Appendices hereto) in order to make a judgment as to whether the Series 2019 Certificates are an appropriate investment. Prospective purchasers of the Series 2019 Certificates should consider carefully all possible factors that may result in a default in the payment of the Principal Component or Interest Component of Rental Payments represented by the Series 2019 Certificates, by the City under the Lease Agreement, the prepayment of the Series 2019 Certificates prior to maturity or the determination that the Interest Component of the Rental Payments represented by the Series 2019 Certificates might be includible in gross income for purposes of federal and Missouri income taxation. The following list of possible factors, while not setting forth all the factors that must be considered, contains some of the factors that should be considered prior to purchasing the Series 2019 Certificates. **This discussion of risk factors is not, and is not intended to be, comprehensive or exhaustive.**

Right of the City to Terminate the Lease Agreement Annually by Declining to Appropriate Funds

The City's obligations under the Lease Agreement may be terminated on an annual basis by the City without any penalty and there is no assurance that the City will renew the Lease Agreement. The likelihood that the City will renew the Lease Agreement throughout the Lease Term is dependent upon certain factors which are beyond the control of the owners of the Series 2019 Certificates, including (a) the continuing need of the City for the Leased Property, (b) the demographic conditions within the City, and (c) the ability of the City to generate sufficient funds from taxes, water and sewer revenues and other sources to pay its obligations under the Lease Agreement and the other obligations of the City.

The City Council has declared its current intention and expectation that the Lease Agreement will be renewed annually until the Trustee's leasehold interest in the Leased Property is acquired by the City. Such a declaration cannot be construed as contractually obligating or otherwise binding the City. Neither the payment of the Rental Payments by the City under the Lease Agreement nor any payments under the Series 2019 Certificates constitutes a general obligation or other indebtedness of the City or a mandatory payment obligation of the City in any fiscal year subsequent to a fiscal year in which the Lease Agreement is in effect.

The obligation of the City to pay Rental Payments and Additional Payments is limited to those City funds which are specifically budgeted and appropriated annually by the City Council for such purpose.

Upon the occurrence of an Event of Default or an Event of Nonappropriation, the Trustee would exercise its available remedies under the Lease Agreement and the Indenture against the City including the sale or lease of its interest in the Leased Property on behalf of the owners of the Series 2019 Certificates. The moneys derived from any sale or lease of its interest in the Leased Property, along with other moneys then held by the Trustee under the provisions of the Indenture (with certain exceptions as provided in the Lease Agreement and the Indenture), are required to be used to pay the Rental Payments to the extent moneys are available.

The Leased Property will consist of water treatment membranes, downtown traffic signals, emergency dispatch furniture, fixtures and equipment in the new public safety facility and two elevated water storage tanks. No real property, easements or rights-of-way are included in the Leased Property subject to the Lease Agreement. The Series 2019 Certificates are not secured by any interest in real property.

Due to the nature of the Leased Property, no assurance can be given that the Trustee could sell, relet or assign its interest in the Leased Property for the amount necessary (after taking into account money legally available from other sources) to pay in full the Principal Components and Interest Components of Rental Payments then due with respect to the Series 2019 Certificates. The number of potential purchasers or lessees of the Leased Property will be limited. Furthermore, no assurance can be given that the amount, if any, realized upon any sale, reletting or assignment of the Trustee's interest in the Leased Property will be available and sufficient to provide for the payment of the Series 2019

Certificates on a timely basis. The Leased Property being leased by the City, and held as security for payment of the Series 2019 Certificates, will either cost or have an insured value of approximately \$6,000,000, but there is no assurance that a forced or distressed sale of any of those assets would result in sufficient funds to pay the Principal components and Interest Components of Rental Payments. In addition, the water treatment membranes serving as a portion of the Leased Property will have a useful life of approximately 7 years and will be replaced by the City and no longer serve as collateral or security for the Certificates once the membranes are replaced.

Delays in Exercising Remedies

A termination of the City's right of possession of the Leased Property under the Lease Agreement as a result of an Event of Default or an Event of Nonappropriation or expiration of the term of the Lease Agreement at the end of the Original Term or any Renewal Term without an extension for the next succeeding Renewal Term will give the Trustee the right to possession of, and the right to sell, relet or assign its interest in the Leased Property in accordance with the provisions of the Lease Agreement and the Indenture. However, the enforceability of the Lease Agreement and the Indenture is subject to applicable bankruptcy laws and trust instruction procedures available under the laws of certain states, equitable principles affecting the enforcement of creditors' rights generally and liens securing such rights, the exercise of judicial authority by State of Missouri, jurisdictions other than the State of Missouri potentially having jurisdiction under trust instruction procedure laws, or federal courts and the exercise by the United States of America of the powers delegated to it by the U.S. Constitution.

Further, the Leased Property is used by the City for the performance of its governmental functions. Due to the governmental use of the Leased Property and the delays inherent in obtaining possession of the Leased Property and other judicial remedies, no assurance can be given that (1) a court, in the exercise of judicial discretion, would enforce these remedies in a timely manner, or (2) any money realized by the Trustee upon an exercise of any remedies would be sufficient to pay in full the Principal Components and Interest Components of Rental Payments with respect to the Series 2019 Certificates. The legal opinions to be delivered with the delivery of the Series 2019 Certificates 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. If such money is insufficient to pay all outstanding Series 2019 Certificates in full, the Series 2019 Certificates would be paid in part on a *pro rata* basis. Any delays in the ability of the Trustee to obtain possession of the Leased Property will, of necessity, result in delays in any payment of Principal Components and Interest Components of Rental Payments with respect to the Series 2019 Certificates.

Changes in Economic, Demographic and Market Conditions

Changes in real estate market conditions in the Maryville area, as well as changes in general or local demographic or economic conditions, could adversely affect the value of the property located within the City and the level of economic activity in the City and, consequently, the amounts of real estate taxes, sales taxes and other revenues generated by the City. Such changes could also have an adverse impact on the financial condition of the City and, thus, the City resources available for appropriation for the payment of the Rental Payments with respect to the Series 2019 Certificates.

In particular, sales tax revenues historically have been sensitive to changes in local, regional and national economic conditions. For example, sales tax revenues have historically declined during economic recessions, when high unemployment adversely affects consumption. Demographic changes in the population of the City may adversely affect the level of sales tax revenues. A decline in the City's population, or reductions in the level of commercial and industrial activity in the City, could reduce the number and value of taxable transactions and thus reduce the amount of sales tax revenues. Internet and on-line sales have also caused local sales tax collections to decline. It is not possible to predict whether or to what extent any such changes in economic conditions, demographic characteristics, population or commercial and industrial activity will occur, and what impact any such changes would have on sales tax revenues.

Destruction of the Leased Property

The Lease Agreement requires certain portions of the Leased Property to be insured as described in “SUMMARY OF THE LEASE AGREEMENT – Insurance” in *Appendix C* hereto. Other portions of the Leased Property are not insurable. If the Leased Property is damaged or destroyed, the City is nevertheless required to continue to make payments under the Lease Agreement, subject to the exercise of its option to extend the term of the Lease Agreement for each next succeeding Renewal Term and to the application of Net Proceeds from insurance, if any, and certain other sources to repair, restore, modify, improve or replace the affected portions of the Leased Property. If the Net Proceeds from insurance and such other sources are sufficient to repair, restore, modify, improve or replace the affected portion of the Leased Property, such proceeds are to be so applied. If the Net Proceeds are insufficient for such purpose, (1) the City is obligated to commence and thereafter complete the work and pay any cost in excess of such net proceeds, but only from Additional Payments appropriated by the City, in order for the affected portion of the Leased Property to be repaired, restored and replaced, (2) if the failure to repair or restore does not materially detract from the value of the Leased Property, such net proceeds may be deposited into the Certificate Fund, or (3) the City may apply net proceeds to the payment of the Option Purchase Price applicable on the next available Optional Payment Date and, if such net proceeds are insufficient to pay such Option Purchase Price, the City is required under the Lease Agreement to pay such amounts as are necessary to equal the full Option Purchase Price.

There can be no assurance either as to the adequacy of or timely payment under property damage insurance in effect at that time or that the City will elect to extend the term of the Lease Agreement for the next Renewal Term succeeding such damage or destruction. See “SUMMARY OF THE LEASE AGREEMENT — Damage, Destruction and Condemnation” in *Appendix C* hereto.

Construction Risks

Weather, labor disputes, availability of materials and supplies, casualty damages, unanticipated subsoil conditions, unanticipated construction difficulties and other “**force majeure**” occurrences or events or financial failure or failure to perform by a contractor, subcontractor or supplier may affect the timely construction of the Project. No assurance can be given that the acquisition, construction and installation of the Project will be completed on schedule, within budget or without material errors and defects. Any such failure could affect the City’s decision to continue appropriations under the Lease Agreement.

Results of a Termination of the Lease Term

In the event that the City Council does not budget and appropriate, specifically with respect to the Lease Agreement, on or before October 1 of each year, moneys sufficient to pay all Rental Payments and the reasonably estimated Additional Payments coming due for the next Lease Term, an “Event of Nonappropriation” shall be deemed to have occurred.

Special Counsel has rendered no opinion with respect to the applicability or inapplicability of the registration requirements of the Securities Act of 1933, as amended, to any Certificate subsequent to a termination of the Lease Term by reason of an Event of Nonappropriation or an Event of Default. If the Lease Term is terminated by reason of either such event, there is no assurance that the Series 2019 Certificates may be transferred by a holder thereof without compliance with the registration provisions of the Securities Act of 1933, as amended, or the availability of an exemption therefrom.

Special Counsel has rendered no opinion with respect to the income tax consequences applicable to the Interest Component of Rental Payments represented by the Series 2019 Certificates subsequent to a termination of the Lease Term by reason of an Event of Nonappropriation or an Event of Default. If the Lease Term is terminated by reason of either such event there is no assurance that the Interest Component of such Rental Payments will remain excludable from gross income for federal or Missouri income tax purposes.

See “DEFINITIONS OF TERMS AND SUMMARIES OF CERTAIN DOCUMENTS – SUMMARY OF THE LEASE AGREEMENT” in *Appendix C* hereto for a discussion of the results of an Event of Nonappropriation, and the ability of the Trustee to waive, under certain circumstances, the effects of the occurrence of an Event of Nonappropriation without notice to or the consent of the registered owners of the Series 2019 Certificates.

Cybersecurity Risks

The City relies on its information systems to provide security for processing, transmission and storage of confidential and other credit 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, including services provided by the City’s waterworks and sewerage system, or the unauthorized disclosure of confidential and other credit 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.

Parity Obligations

The Indenture provides for the future delivery of Additional Certificates that, if delivered, would rank on a parity with the Series 2019 Certificates and any other Additional Certificates then Outstanding under the Indenture. Additional Certificates may be delivered for any purpose without the consent of or notice to the Registered Owners of the Series 2019 Certificates (i) if the Additional Certificates are being issued to refund Certificates to provide present value debt service savings for the City, or (ii) if Additional Certificates to be issued are in an amount, together with all other Certificates then Outstanding, not to exceed \$6,000,000. There is no requirement to provide additional property in connection with the delivery of Additional Certificates that would be subject to the terms of the Lease Agreement. The delivery of Additional Certificates without a corresponding addition to the Leased Property could reduce the likelihood that, in the Event of Default or Event of Nonappropriation by the City, the Trustee would be able to relet or assign its interest in the Leased Property for the amount necessary (after taking into account money legally available from other sources) to pay in full the Principal Components and Interest Components of Rental Payments then due with respect to the Certificates.

Bankruptcy

In addition to the limitations on remedies contained in the Indenture and the Lease Agreement, the rights and remedies provided in the Indenture and the Lease Agreement may be limited by and are subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws affecting creditors’ rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies.

Pension

The City contributes to an agent multiple-employer defined-benefit pension plan on behalf of its employees. See “**THE CITY – GENERAL – Pension and Employee Retirement Plans**” in *Appendix A* of this Official Statement. See “**FINANCIAL INFORMATION CONCERNING THE CITY – Pension and Employee Retirement Plans**” in *Appendix A* of this Official Statement. The City also provides other postemployment benefits (“OPEB”) as part of the total compensation offered to attract and retain the services of qualified employees. See “**FINANCIAL INFORMATION CONCERNING THE CITY – Pension and Employee Retirement Plans**” in *Appendix A* of this Official Statement. Future required contribution increases beyond the current fiscal year may require the City to increase its revenues, reduce its expenditures, or some combination thereof, which may impact the City’s operations or limit the City’s ability to generate additional revenues in the future.

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

Amendment of the Indenture and the Lease Agreement

Certain amendments to the Indenture and the Lease Agreement may be made without notice to or the consent of the owners of the Certificates (including amendments relating to the delivery of Additional Certificates). Certain other amendments to the Indenture and the Lease Agreement may be made with the consent of the owners of not less than a majority in principal amount of the Certificates (including any Additional Certificates which may be hereafter issued) then outstanding affected by such supplemental indentures or supplemental leases. Such amendments may adversely affect the security of the owners of the Certificates. In addition to the foregoing, in some jurisdictions outside the State of Missouri, there are a variety of trust instruction procedure ("TIP") statutes, which generally allow judicially supervised remedies for trust estates of trustees that have a nexus, such as the Trustee's office, with such jurisdiction. Under such TIP statutes, such jurisdictions may allow or order the Trustee to amend the documents relating to the Certificates, including the Lease Agreement and the Indenture, in contravention of the manner provided for in these documents, including without limitation allowing the Trustee to disregard provisions requiring the consent of the holders of the Certificates prior to certain amendments of these documents.

The Hancock Amendment

An amendment to the Missouri Constitution limiting taxation and government spending was approved by Missouri voters on November 4, 1980. This amendment limits the ability of the City to impose new or increased taxes to provide funding for the payment of the Series 2019 Certificates, or other governmental purposes of the City, without voter approval. The amendment (commonly known as the Hancock Amendment) limits the rate of increase and the total amount of taxes which may be imposed in any Fiscal Year, and the limit may not be exceeded without voter approval. The tax rate ceiling, determined annually, is the rate of levy which, when charged against the newly assessed valuation of the City for the current year, excluding new construction and improvements, will produce an amount of tax revenues equal to tax revenues for the previous year increased by 5% or the Consumer Price Index, whichever is lower. The limitation on local governmental units does not apply to taxes imposed for the payment of principal of and interest on general obligation bonds approved by the requisite percentage of voters.

The Hancock Amendment also requires political subdivisions of the State to obtain voter approval in order to increase any "*tax, license or fee.*" The precise meaning and application of the phrase "*tax, license or fee*" is unclear, but decisions of the Missouri Supreme Court have indicated that it does not apply to traditionally set user fees. The limitations imposed by the Hancock Amendment restrict the City's ability to increase many but not all taxes, licenses and certain fees without obtaining voter approval.

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 political subdivision such as the City. Prior to the enactment of SB 711, a Hancock rollback would not necessarily result in a reduction of the City's property 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. The property tax levy is the levy actually imposed by a political subdivision while the tax rate ceiling is the maximum levy the political subdivision may impose under the provisions of the Hancock Amendment. Under SB 711, in reassessment years (odd-numbered years), the Hancock rollback is applied to a political subdivision's actual property tax levy, regardless of whether that levy is at the political subdivision's tax levy ceiling. This further reduction is sometimes referred to as an "SB 711 rollback." In non-reassessment years (even-numbered years), the property tax levy may be increased to the political subdivision'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.

Other Factors

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:

1. *Changes in Management.* Changes in key management personnel could affect the capability of the management of the City.
2. *Future Economic Conditions.* Adverse economic conditions or changes in demographics in the City, 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 performance.
4. *Environmental Hazards.* The City has covenanted in the Lease Agreement to comply with all applicable environmental laws. No environmental studies have been performed with respect to the Leased Property. The City is not aware of any environmental condition at the Leased Property or any of the City's other property that requires any present remedial action. The discovery of such a condition with respect to the Leased Property may adversely affect the City's willingness to renew the Lease Agreement after the expiration of any Renewal Term and the discovery of such a condition with respect to any of the other property of the City could adversely impact the City's financial performance.
5. *Organized Labor Efforts.* Efforts to organize employees of the City into collective bargaining units could result in adverse labor actions or increased labor costs.
6. *Natural Disasters.* The occurrence of natural disasters, such as tornadoes, earthquakes, floods or droughts, could damage the Leased Property of the City, interrupt services or otherwise impair operations and the ability of the City to produce revenues.

Power of Eminent Domain

Cities are granted under the laws of the State of Missouri the power to condemn property for any purpose for which such cities are authorized to acquire property. There is no assurance that if the City were to condemn the Trustee's interest under the Lease Agreement that the condemnation award would be sufficient to pay the outstanding Principal Components and Interest Components with respect to the Series 2019 Certificates. The City has agreed in the Lease Agreement that, in the event that the whole or any part of the Leased Property is taken by eminent domain proceedings, the interest of the Trustee will be recognized. The City and the Trustee have reached an agreement on the terms of the acquisition of the Leased Property at the City's option, and to the use of the Leased Property. The City has agreed that any acquisition of the Leased Property or rights to their use by the City (whether pursuant to the exercise of eminent domain powers or otherwise) shall be pursuant to and in accordance with the Lease Agreement, including payment of Rental Payments and the applicable purchase price (as defined and set forth in the Indenture). If the City allows the Lease Agreement to expire without exercising its option to purchase, whether by failure to exercise its option to extend the Lease Agreement for a Renewal Term, failure to exercise its option to purchase at the conclusion of the Lease Term or failure to cure an Event of Default (as such terms are defined in the Lease Agreement), the City's failure to exercise the option to purchase shall constitute an irrevocable determination by the City that the Leased Property is not required by it for any public purpose for the remaining term of the Lease Agreement. The enforceability of the foregoing agreements of the City has not been the subject of judicial interpretation.

No Reserve Fund or Credit Enhancement

No debt service reserve fund, financial guaranty insurance policy, letter of credit or other credit enhancement will be issued to insure payment of the Principal Component or Interest Component due with respect to the Series 2019 Certificates. Accordingly, any potential purchaser of the Series 2019 Certificates should consider the financial ability of the City to pay Rental Payments under the Lease Agreement.

Taxability

The Series 2019 Certificates are not subject to prepayment nor is the interest rate subject to adjustment in the event of a determination by the Internal Revenue Service or a court of competent jurisdiction that the Interest Component paid or to be paid on any Series 2019 Certificate is or was includible in the gross income of the Owners of the Series 2019 Certificates for federal income tax purposes. **It may be that Owners of the Series 2019 Certificates would continue to hold their certificates, receiving Principal Components and Interest Components as and when due, but would be required to include such payments of Interest Component in gross income for federal income tax purposes. Special Counsel expresses no opinion as to the federal tax exemption of Interest Component on the Series 2019 Certificates in the event of payment thereof (a) if the City fails to budget and appropriate sufficient moneys to pay the Rental Payments under the Lease Agreement or (b) the Lease Agreement terminates for any reason.**

Risk of Audit

The Internal Revenue Service has established an ongoing program to audit tax-exempt obligations to determine the legitimacy of the tax status of such obligations. No assurance can be given that the Internal Revenue Service will not commence an audit of the Series 2019 Certificates. Owners of the Series 2019 Certificates are advised that, if an audit of the Series 2019 Certificates were commenced, in accordance with its current published procedures, the Internal Revenue Service is likely to treat the City as the taxpayer, and the Owners of the Series 2019 Certificates 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 Series 2019 Certificates during the pendency of the audit, regardless of the ultimate outcome of the audit.

Loss of Premium from Prepayment

Any person who purchases a Series 2019 Certificate at a price in excess of its principal amount or who holds such Certificate trading at a price in excess of par should consider the fact that the Series 2019 Certificates are subject to prepayment prior to maturity at the prepayment prices described herein in the event such Series 2019 Certificates are prepaid prior to maturity. See the section herein captioned "THE SERIES 2019 CERTIFICATES – Prepayment Provisions."

Secondary Market

The Underwriter will not be obligated to repurchase any of the Series 2019 Certificates, and no representation is made concerning the existence of any secondary market for the Series 2019 Certificates. No assurance is given that any secondary market will develop following the completion of the offering of the Series 2019 Certificates and no assurance is given that the initial offering price for the Series 2019 Certificates will continue for any period of time.

The lowering or withdrawal of the investment rating initially assigned to the Series 2019 Certificates could adversely affect the market price for and the marketability of the Series 2019 Certificates. 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 operating performance of the entities operating its Leased Property subject to the municipal securities. From time to time the secondary market trading in selected issues of municipal securities will fluctuate as a result of the financial condition or market position of the underwriter, prevailing market conditions, or a material adverse change in the operations of the City, whether or not the subject securities are in default as to principal and interest payments, and other factors which may give rise to

uncertainty concerning prudent secondary market practices. Municipal securities are generally viewed as long-term investments, subject to material unforeseen changes in the investor’s circumstances, and may require commitment of the investor’s funds for an indefinite period of time, perhaps until maturity.

Defeasance Risks

When all Certificates are deemed paid as provided in the Indenture (See “SUMMARY OF THE INDENTURE – Satisfaction and Discharge of the Indenture” and “– Certificates Deemed to be Paid” in *Appendix C* hereto), the Indenture will be released and terminated and the Leased Property encumbered by the Lease Agreement as security for the Certificates will be released. Any Certificate shall be deemed to be paid when (a) payment of the Principal Component of Rental Payments evidenced by such Certificate and premium, if any, thereon and the Interest Component of Rental Payments payable with respect thereto, whether such payment is by reason of the stated payment date or upon prepayment as provided in the Indenture, either (i) has been made in accordance with the terms thereof, or (ii) has been provided by irrevocably depositing, in trust and irrevocably set aside exclusively for such payment, (1) cash sufficient to make such payment and/or (2) Defeasance Obligations, maturing as to principal and interest in such amounts and at such time as will insure the availability of sufficient moneys to make such payment. Defeasance Obligations include, in addition to cash and obligations pre-refunded with cash, bonds, notes, certificates of indebtedness, treasury bills and 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. Historically, such United States obligations have been rated in the highest rating category by the rating agencies. There is no legal requirement in the Indenture or the Lease Agreement that Defeasance Obligations consisting of such United States obligations be or remain 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 Certificates defeased with Defeasance Obligations to the extent the Defeasance Obligations have a change or downgrade in rating.

PLAN OF FINANCE

Sources and Uses of Funds

In connection with the sale and delivery of the Series 2019 Certificates, it is contemplated that funds will be obtained and applied as follows:

| | |
|--|-----------------------|
| <i>Sources of Funds</i> | |
| Principal Amount of Series 2019 Certificates | \$5,045,000.00 |
| Net Original Issue Premium | <u>314,422.85</u> |
| Total Sources | <u>\$5,359,422.85</u> |
| <i>Uses of Funds</i> | |
| Project Costs | \$3,260,250.00 |
| Deposit to pay the Series 2010B Certificates | 1,953,322.40 |
| Costs of Delivery including Underwriter’s Discount | <u>145,850.45</u> |
| Total Uses | <u>\$5,359,422.85</u> |

The Leased Property

The Leased Property consists of the City’s interest in water treatment plant membranes, the design of phase 2 and 3 of improvements to South Main Street, downtown traffic signals and emergency dispatch furniture, fixtures and equipment in the new public safety facility. The Leased Property also includes the two elevated water storage tanks financed with the proceeds of the Series 2010B Certificates.

The Project

The Project consists of the acquisition, construction and improvement of water treatment plant membranes, the designing of phases 2 and 3 for improvements to South Main Street (including construction monitoring and administration costs related to the road project), the acquisition and installation of new downtown traffic signals, renovations and improvements to city hall and the acquisition and installation of emergency dispatch furniture, fixtures and equipment in the new public safety facility. Proceeds of the Series 2019 Certificates in the amount of \$3,260,250.00 will be used to acquire and install these portions of the Project.

Refunding of the Refunded Certificates

A portion of the proceeds of the Series 2019 Certificates will be used, together with other available funds of the City, to current refund the Series 2010B Certificates, outstanding in the principal amount of \$1,900,000 (the “**Refunded Certificates**”). The maturities and principal amounts of the Refunded Certificates are as follows:

| <u>Maturity</u> <u>February 1</u> | <u>Principal</u> <u>Amount</u> |
|--|---|
| 2020 | \$130,000 |
| 2025 | 705,000 |
| 2031 | 1,065,000 |

The City will transfer \$1,953,322.40 of the proceeds of the Series 2019 Certificates to UMB Bank, N.A. (the “**Escrow Agent**”), for deposit in an Escrow Fund established under an Escrow Letter of Instructions (the “**Escrow Agreement**”), between the City and the Escrow Agent. Such moneys deposited with the Escrow Agent will be used to establish an initial cash balance in the Escrow Fund. The cash on deposit in the Escrow Fund will be held in escrow to provide for the payment of principal of and the interest on the Refunded Certificates when called for redemption on February 1, 2020. After the issuance of the Series 2019 Certificates and the deposit of proceeds with the Escrow Agent pursuant to the Escrow Agreement, the holders of the Refunded Certificates are given a lien on, and the principal of and interest on the Refunded Certificates will be payable from, the cash held in the Escrow Fund used to pay the Refunded Certificates when due and when called for redemption on February 1, 2020. Under the Escrow Agreement, the money held by the Escrow Agent is pledged for such purposes and no other.

LITIGATION

There is no action, suit, proceeding or litigation pending against the City, or to the knowledge of the City or of its officials threatened, which in any way questions or affects the validity of the Lease Agreement, the Indenture, the Series 2019 Certificates or any proceedings or transactions relating to their authorization, sale or delivery, or which would affect the validity of the agreements related to the construction, operation or management of the Project.

From time to time, claims and litigation against the City arises in the ordinary course of business. The City, after consultation with counsel, does not believe that the outcome of these matters will have a material impact on the financial condition of the City, and the City does not believe that such exposure would materially affect the City’s ability to meet its obligations to pay the Series 2019 Certificates.

TAX MATTERS

The following is a summary of the material federal and State of Missouri income tax consequences of holding and disposing of the Series 2019 Certificates. 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 Series 2019 Certificates 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 Series 2019 Certificates 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 Series 2019 Certificates.

Opinion of Special Counsel

In the opinion of Gilmore & Bell, P.C., Special Counsel, under the law existing as of the issue date of the Series 2019 Certificates:

Federal and Missouri Tax Exemption. The Interest Component of the Rental Payments paid by the City under the Lease Agreement and distributed to the owners of the Series 2019 Certificates (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal and Missouri income tax purposes.

Alternative Minimum Tax. The Interest Component is not an item of tax preference for purposes of computing the federal alternative minimum tax.

No Bank Qualification. The Series 2019 Certificates are not “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

Special Counsel’s opinions are provided as of the date of the original delivery of the Series 2019 Certificates, subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the delivery of the Series 2019 Certificates in order that the Interest Component be, or continue to be, excludable from gross income for federal and Missouri 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 the Interest Component in gross income for federal and State of Missouri income tax purposes retroactive to the date of delivery of the Series 2019 Certificates. Special Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Series 2019 Certificates but has reviewed the discussion under the section herein captioned “TAX MATTERS.”

Other Tax Consequences

Original Issue Discount. For federal income tax purposes, original issue discount (“OID”) is the excess of the stated redemption price at maturity of a Series 2019 Certificate over its issue price. The issue price of a Series 2019 Certificate is the first price at which a substantial amount of the Series 2019 Certificates of that maturity have been sold (ignoring sales to bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers). Under Section 1288 of the Code, OID on tax-exempt obligations accrues on a compound basis. The amount of OID that accrues to an owner of a Series 2019 Certificate during any accrual period generally equals (1) the issue price of that Series 2019 Certificate, plus the amount of OID accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Series 2019 Certificate (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 Component payable on that Series 2019 Certificate during that accrual period. The amount of OID accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner’s tax basis in that Series 2019 Certificate. Prospective investors should consult their own tax advisors concerning the calculation and accrual of OID.

Original Issue Premium. If a Series 2019 Certificate is issued at a price that exceeds the stated redemption price at maturity of the Series 2019 Certificate, the excess of the purchase price over the stated redemption price at maturity constitutes “premium” on that Series 2019 Certificate. Under Section 171 of the Code, the purchaser of that Series 2019 Certificate must amortize the premium over the term of the Series 2019 Certificate using constant yield principles, based on the purchaser’s yield to maturity. As premium is amortized, the owner’s basis in the Series 2019 Certificate and the amount of tax-exempt Interest Component received will be reduced by the amount of amortizable premium properly allocable to the owner. This will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Series 2019 Certificate 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 premium.

Sale, Exchange or Retirement of Series 2019 Certificates. Upon the sale, exchange or retirement (including redemption) of a Series 2019 Certificate, an owner of the Series 2019 Certificate 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 Series 2019 Certificate (other than in respect of accrued and unpaid Interest Component) and such owner’s adjusted tax basis in the Series 2019 Certificate. To the extent a Series 2019 Certificate 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 Series 2019 Certificate 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 Component, Interest Component and prepayment premium paid on the Series 2019 Certificates, and to the proceeds paid on the sale of the Series 2019 Certificates, 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 Series 2019 Certificates should be aware that ownership of the Series 2019 Certificates 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 Series 2019 Certificates. Special Counsel expresses no opinion regarding these tax consequences. Purchasers of Series 2019 Certificates 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 Series 2019 Certificates, including the possible application of state, local, foreign and other tax laws.

UNDERWRITING

Based upon bids received by the City on December 4, 2019, the Series 2019 Certificates were awarded to Robert W. Baird & Co., Inc. (the “Underwriter”) for reoffering by the Underwriter. The Underwriter has agreed to purchase the Series 2019 Certificates at an aggregate purchase price equal to \$5,300,809.82 (the principal amount of the Series 2019 Certificates plus a net original issue premium of \$314,422.85, less an underwriter’s discount of \$58,613.03), plus accrued interest, if any. The Underwriter is purchasing the Series 2019 Certificates for resale in the normal course of the Underwriter’s business activities. The Underwriter reserves the right to offer any of the Series 2019 Certificates to one or more purchasers on such terms and conditions and at such price or prices as the Underwriter shall determine. The Underwriter reserves the right to join with dealers and other purchasers in offering the Series 2019 Certificates to the public. The Underwriter may offer and sell Series 2019

Certificates to certain dealers (including dealers depositing Series 2019 Certificates into investment trusts) at prices lower than the public offering prices.

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.

RATING

Standard & Poor's Ratings Services is expected to give the Series 2019 Certificates a rating of "A+". Such rating reflects only the view of such organization and an explanation of the significance of such rating may be obtained from the rating agency. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by said rating agency if, in its judgment, circumstances so warrant. Any such downward change or withdrawal of the rating may have an adverse effect on the market price and marketability of the Series 2019 Certificates.

The City has furnished the rating agency with certain information and materials relating to the Series 2019 Certificates 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 Series 2019 Certificates any proposed revision or withdrawal of the rating of the Series 2019 Certificates or to oppose any such proposed revision or withdrawal. Pursuant to the Continuing Disclosure Certificate, the City is required to bring to the attention of the holders of the Series 2019 Certificates any revision or withdrawal of the rating of the Series 2019 Certificates but has not undertaken any responsibility to oppose any such revision or withdrawal. See the section herein captioned "CONTINUING DISCLOSURE." Any such revision or withdrawal of the rating could have an adverse effect on the market price and marketability of the Series 2019 Certificates.

FINANCIAL STATEMENTS

The City maintains its financial records on the basis of a fiscal year ending September 30. Set forth in *Appendix B* are the audited financial statements of the City for the fiscal year ended September 30, 2018.

LEGAL MATTERS

Certain legal matters incident to the authorization and execution by the City of the Indenture and the Lease Agreement and the delivery and sale of the Series 2019 Certificates and with regard to the tax-exempt status of the Interest Component of Rental Payments to be made on the Series 2019 Certificates are subject to the approving opinion of Gilmore & Bell, P.C., Special Counsel. Special Counsel has participated in the preparation of this Official Statement, but the factual and financial information appearing herein has been supplied or reviewed by certain officials of the City.

CONTINUING DISCLOSURE

The City is executing a Continuing Disclosure Certificate for the benefit of the owners and Beneficial Owners of the Series 2019 Certificates in order to comply with Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). The City is the only "obligated person" with responsibility for continuing disclosure.

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

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

(2) Updates as of the end of the fiscal year of the financial information and operating data contained in *Appendix A* of this Official Statement under the following sections:

DEBT STRUCTURE OF THE CITY

Current Indebtedness of the City

Other Obligations

Legal Debt Capacity

HISTORY AND OPERATION OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM

Net Revenues Available for Debt Service

FINANCIAL INFORMATION CONCERNING THE CITY

Sources of Revenue

Property Valuations

History of Property Valuation

Retail Sales Taxes

Tax Rates – *The table showing tax levies*

Tax Collection Record

Pursuant to the Continuing Disclosure Certificate, the City also will file notice with the MSRB of the occurrence of any of the following events with respect to the Series 2019 Certificates, no later than 10 business days after the occurrence of such event (“Material Events”):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults;
- (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 or events affecting the tax-exempt status of the Bonds;
- (7) modifications to rights of bondowners;
- (8) optional, contingent or unscheduled bond calls;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Bonds;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the City;
- (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

- (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.

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

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

The City has engaged in undertakings similar to the Continuing Disclosure Certificate with respect to certain prior obligations of the City, to provide to the national information repositories (presently, only the MSRB) the City's audited financial statements and certain operating data. The City has been timely in filing its audited financial statements and operating data updates in each of the last five years (September 30, 2014 through September 30, 2018). Over the last five years, the City has failed to file or has not timely filed notices of certain material events related to rating changes of bonds and other obligations of the City. In order to promote compliance with the City's obligations under the Continuing Disclosure Certificate and the City's prior undertakings with respect to the content of Annual Reports, the City engaged the law firm of Gilmore & Bell, P.C. to provide filing reminders and to assist the City in determining the required content of the Annual Reports and in submitting such Annual Reports to the MSRB via EMMA.

Electronic Municipal Market Access System (EMMA)

All Annual Reports and notices of Material Events required to be filed by the City pursuant to the Continuing Disclosure Certificate must be submitted to the MSRB through the MSRB's Electronic Municipal Market Access system ("EMMA"). EMMA is an internet-based, online portal for free investor access to municipal bond information, including offering documents, material event notices, real-time municipal securities trade prices and MSRB education resources, available at www.emma.msrb.org. Nothing contained on EMMA relating to the City or the Series 2019 Certificates is incorporated by reference in this Official Statement.

MISCELLANEOUS

Municipal Advisor

Piper Jaffray & Co. (the "Municipal Advisor") has acted as Municipal Advisor to the City in connection with the sale of the Series 2019 Certificates. The Municipal Advisor has assisted the City in matters relating to the planning, structuring and delivery of the Series 2019 Certificates and various other debt related matters. The Municipal Advisor will not be a manager or a member of any purchasing group submitting a proposal for the purchase of the Series 2019 Certificates.

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 in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or registered owners of any of the Series 2019 Certificates.

References herein to the Indenture and the Lease Agreement and certain other matters are brief discussions of certain provisions thereof. Such discussions do not purport to be complete, and reference is made to such documents for full and complete statements of such provisions.

The form of this Official Statement and its distribution and use by the Underwriter has been approved by the City. However, neither the City nor any of its officers, directors or employees, in either their official or personal capacities, has made any warranties, representations or guarantees regarding the City's financial condition or its ability to make payments required under the Lease Agreement and the Indenture other than those expressly imposed on the City by the Indenture or the Lease Agreement.

CITY OF MARYVILLE, MISSOURI

By: /s/ Rachael Martin
Mayor

APPENDIX A
THE CITY
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THE CITY

Location and Size

The City encompasses approximately 6.2 square miles and is located in Nodaway County, Missouri (“Nodaway County”), approximately 95 miles north of Kansas City, Missouri. The City has a current estimated population of 11,855 according to an estimated 2017 census.

Government and Organization

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

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

| <u>Name</u> | <u>Office</u> | <u>Term Expires</u> |
|-----------------|----------------------------|---------------------|
| Rachael Martin | Mayor | 4/20 |
| Benjamin Lipiec | Mayor Pro Tem | 4/20 |
| Tye Parsons | Council Member | 4/22 |
| Jason McDowell | Council Member | 4/21 |
| Matt Johnson | Council Member | 4/21 |
| Greg McDanel | City Manager | |
| Ryan Heiland | Assistant City Manager | |
| Denise Town | Treasurer/Finance Director | |
| Stacy Wood | City Clerk | |

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

Utilities and Services

The City provides water and wastewater treatment to its residents. Every Missouri West provides electricity and Empire District Gas Company provides natural gas to residents of the City. There are two weekly newspapers, a university newspaper, two radio stations and a cable television company located in the City. Telephone service is provided by CenturyLink.

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

Medical and Health Facilities

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

Mosaic Medical Center-Maryville, a facility affiliated with Mosaic Life Care, a health-care system that includes 18 locations of health services in Missouri, Kansas, and Iowa, provides comprehensive medical care to the people of Northwest Missouri. The hospital is a full-service health care organization.

Ambulance services are provided by Nodaway County Ambulance District.

Recreational, Cultural and Religious Facilities

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

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

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

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

Educational Institutions and Facilities

Northwest Missouri State University (the "University") has been a part of the Maryville community since 1905. Approximately 5,654 undergraduate students were enrolled at the University in the fall of 2018. The University offers 127 undergraduate majors, 73 minors, 18 pre-professional programs, 40 graduate programs, 5 graduate certificate programs, 3 certificate programs, 3 specialist programs and a cooperative doctorate in education leadership with the University of Missouri-Columbia. The University is composed of the College of Arts and Sciences with 5 departments and the Professional School with 6 schools.

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

Elementary and Secondary Schools

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

Economy

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

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

ECONOMIC INFORMATION CONCERNING THE CITY

Commerce and Industry

Some major employers in Maryville, Missouri, include:

| | <u>Name</u> | <u>Type</u> | <u>Employees</u> |
|-----|-------------------------------------|------------------|------------------|
| 1. | Kawasaki Motors Mfg. Corp. | Small Engines | 1,100 |
| 2. | Northwest Missouri State University | Education | 715 |
| 3. | SSM Health St. Francis Hospital* | Health Care | 475 |
| 4. | Wal-Mart Superstore | Retail | 230 |
| 5. | Maryville Treatment Center | Health Care | 215 |
| 6. | Maryville R-II School District | Education | 195 |
| 7. | Federal Mogul | Automotive Parts | 190 |
| 8. | Hy-Vee Food Store | Grocery | 175 |
| 9. | Laclede Chain | Chain Mfg. | 150 |
| 10. | DELUXE | Printing | 140 |

Source: City of Maryville, September 30, 2018 Comprehensive Annual Financial Report ("CAFR").

*SSM Health St. Francis Hospital was sold to Mosaic Life Health in April 2019 and is now Mosaic Medical Center-Maryville.

General and Demographic Information

The following table sets forth certain population information.

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

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

Population Distribution by Age (2017 Estimate)

| <u>Age</u> | <u>City of Maryville</u> | <u>Nodaway County</u> | <u>State of Missouri</u> |
|--------------------|------------------------------|---------------------------|--------------------------|
| Under 5 | 466 | 1,011 | 373,141 |
| 5-19 years | 4,644 | 5,070 | 1,176,263 |
| 20-44 years | 5,489 | 9,209 | 1,961,796 |
| 45-64 years | 1,812 | 4,655 | 1,608,068 |
| 65 years and older | <u>1,438</u> | <u>3,225</u> | <u>956,032</u> |
| Total | <u>11,855</u> | <u>22,744</u> | <u>6,075,300</u> |
| Median Age | 23.6 | 29.0 | 38.4 |

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates.

Employment

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

| | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|--------------------------|-------------|-------------|-------------|-------------|-------------|
| <i>Nodaway County</i> | | | | | |
| Total Labor Force | 11,136 | 11,026 | 10,533 | 10,650 | 10,752 |
| Unemployed | 549 | 511 | 511 | 312 | 321 |
| Unemployment Rate | 4.9% | 4.6% | 4.6% | 2.9% | 3.0% |
| <i>State of Missouri</i> | | | | | |
| Total Labor Force | 3,113,760 | 3,111,517 | 3,058,922 | 3,052,386 | 3,041,922 |
| Unemployed | 155,584 | 140,815 | 116,650 | 97,578 | 105,129 |
| Unemployment Rate | 5.0% | 4.5% | 3.8% | 3.2% | 3.5% |

Source: Missouri Department of Labor and Industrial Relations. *Average, January through May 2019.

Income Statistics

The following table sets forth 2017 estimated income statistics for the City, Nodaway County and the State of Missouri:

| | <u>Per Capita</u> | <u>Median Family</u> |
|-------------------|-------------------|----------------------|
| City | \$17,704 | \$49,904 |
| Nodaway County | 21,056 | 59,462 |
| State of Missouri | 28,282 | 64,776 |

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates.

Housing

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

| | <u>Median Value</u> |
|-------------------|---------------------|
| City | \$131,700 |
| Nodaway County | 117,800 |
| State of Missouri | 145,400 |

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates.

Building Construction

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

| <u>Year</u> | Number of Permits Issued | | <u>Total</u> |
|-------------|---------------------------------|------------------------|--------------|
| | <u>Residential</u> | <u>Non-Residential</u> | |
| 2018 | 59 | 17 | 76 |
| 2017 | 64 | 31 | 95 |
| 2016 | 43 | 13 | 56 |
| 2015 | 47 | 24 | 71 |
| 2014 | 50 | 10 | 60 |

Source: City of Maryville, September 30, 2018 Comprehensive Annual Financial Report (“CAFR”), and City records for 2018.

DEBT STRUCTURE OF THE CITY

Current Indebtedness of the City

The following table sets forth as of November 1, 2019 all of the outstanding general obligation indebtedness of the City.

| <u>Name of Issue</u> | <u>Issue Date</u> | <u>Principal Amount</u> | <u>Amount Outstanding</u> |
|---|-------------------|-------------------------|---------------------------|
| General Obligation Refunding Bonds, Series 2018 | 2/15/2018 | \$2,390,000 | \$2,125,000 |

History of General Obligation Indebtedness

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

| <u>As of September 30</u> | <u>Total Outstanding Debt</u> | <u>Debt as Percentage of Assessed Value</u> |
|---------------------------|-------------------------------|---|
| 2019 | \$2,125,000 | 1.60% |
| 2018 | 2,390,000 | 1.76 |
| 2017 | 2,715,000 | 2.03 |
| 2016 | 2,945,000 | 2.16 |
| 2015 | 3,155,000 | 2.45 |

Debt Summary
(as of 11/1/2019)

| | |
|---|------------------------------|
| 2019 Assessed Valuation: | \$137,588,464 ⁽¹⁾ |
| 2019 Estimated Actual Valuation: | \$575,519,118 |
| Estimated Population | 11,855 |
| | |
| Total Outstanding General Obligation Debt: | \$2,125,000 |
| Overlapping Debt ⁽²⁾ : | \$10,659,600 |
| Direct and Overlapping General Obligation Debt: | \$12,784,600 |
| | |
| Ratio of General Obligation Debt to Assessed Valuation: | 1.54% |
| Ratio of General Obligation Debt to Estimated Actual Valuation: | 0.37% |
| Per Capita General Obligation Debt: | \$179.25 |
| | |
| Ratio of Direct and Overlapping Debt to Assessed Valuation: | 9.29% |
| Ratio of Direct and Overlapping Debt to Estimated Actual Valuation: | 2.22% |
| Per Capita Direct and Overlapping Debt: | \$1,078.41 |

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

⁽²⁾ Includes general obligation debt of political subdivisions with boundaries overlapping the City. See "Debt Structure of the City - Overlapping Indebtedness."

Overlapping Indebtedness

The following table sets forth the approximate overlapping indebtedness (including general obligation bonds) of political subdivisions with boundaries overlapping the City as of November 1, 2019, and the percent attributable (on the basis of current assessed valuation) to the City.

| <u>Taxing Jurisdiction</u> | <u>Outstanding General Obligation Indebtedness</u> | <u>Percent Applicable to City</u> | <u>Amount Applicable to City</u> |
|-----------------------------------|---|--|---|
| Maryville R-II School District | \$14,805,000 | 72.0% | \$10,659,600 |

Legal Debt Capacity

Article VI, Sections 26(b) and (c) of the Constitution of the State of Missouri limit the net outstanding amount of authorized general obligation indebtedness for a city to 10 percent of the assessed valuation of the city by a two-thirds (four-sevenths at certain elections) vote of the qualified voters. Article VI, Section 26(d) provides that a city may, by a two-thirds (four-sevenths at certain elections) vote of the qualified voters, incur indebtedness in an amount not to exceed an additional 10 percent for the purpose of acquiring rights-of-way, construction, extending and improving streets and avenues, and sanitary or storm sewer systems, provided the total general obligation indebtedness of a city does not exceed 20 percent of the assessed valuation. Article VI, Section 26(e) provides that a city may, by a two-thirds (four-sevenths at certain elections) vote of the qualified voters, incur indebtedness in an amount not exceeding an additional 10 percent for the purpose of purchasing or constructing waterworks, electric or other light plans to be owned exclusively by the city, provided that the total general obligation indebtedness of a city does not exceed 20 percent of the assessed valuation. The legal debt margin of the City for an election to be held in 2020 is:

| | |
|--|-----------------------------|
| Constitutional Debt Limit (20% of assessed valuation) | \$27,517,692 ⁽¹⁾ |
| Indebtedness Outstanding | <u>2,125,000</u> |
| LEGAL DEBT MARGIN | <u>\$25,392,692</u> |

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

Other Obligations

The City also issues obligations where the City pledges income derived from the acquired or constructed assets or other specific sources to pay debt service and enters into capital leases to finance the acquisition or improvement of City property or property in the City. Obligations outstanding as of November 1, 2019 (except as noted below) are as follows:

| <u>Purpose</u> | <u>Principal Outstanding</u> |
|--|-------------------------------|
| Certificates of Participation, Series 2018 | \$6,140,000 |
| Certificates of Participation, Series 2017 | 6,540,000 |
| Combined Waterworks and Sewerage System Revenue Bonds, Series 2019 | 11,535,000 |
| Certificates of Participation, Series 2010 | 1,900,000 ⁽¹⁾ |
| Tax Increment Revenue Bonds, Series 2015 | 790,000 |
| Notes and Capital Leases | <u>601,066</u> ⁽²⁾ |
| Total | <u>\$27,506,066</u> |

⁽¹⁾ Outstanding as of September 30, 2018.

⁽²⁾ The Series 2010 Certificates will be refunded with the proceeds of the Series 2019 Certificates.

Defaults on City Indebtedness

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

HISTORY AND OPERATION OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM

Description of Existing Facilities of the City

The City operates a combined waterworks and sewerage system (the "System"). The two components of the System, the waterworks subsystem and the sewerage subsystem are described below.

Presently, the City's primary water source is Lake Mozingo, a 1,000 acre lake located 3 miles east of the City. Water is pumped from Lake Mozingo to the treatment plant located on the west side of the 102 River. The water is processed at the water treatment plant using a state of the art membrane filtration system to assure potable drinking water. The water treatment plant, built in 1959 and upgraded periodically since that time, has a maximum production capacity rating of 5.0 million gallons per day. Current production demand is 1.7 million gallons per day, so the plant provides ample capacity for growth in demand. The City has recently completed the installation of new high service pumps at the water treatment plant and a Variable Frequency Drive ("VFD") system. The VFD regulates the speed and velocity of water pumped into the distribution system and is expected to reduce energy demands related to water transmission by 20-30%.

The treated water storage capacity of the System is 3,000,000 gallons, with storage facilities consisting of one 1,000,000 gallon water tower, two 750,000 gallon water towers and a 500,000 gallon clear well. The recent addition of the two 750,000 gallon water towers increased the capacity for elevated water storage to one full day's supply, improved water distribution and improved pressure for fire suppression services. Water is distributed and delivered to customers through 25,000 feet of 2 inch line, 59,000 feet of 4 inch line, 99,000 feet of 6 inch line, 65,000 feet of 8 inch line, 56,000 feet of 10 inch line and 45,000 feet of 12 inch line. Individual service lines comprise the remainder of the water system (not maintained by the City) for a total of 76 miles of water line.

Of the 4,294 water meters in the System, approximately 3,933 are 5/8 inch meters and the others are 3/4 inch to 6 inch meters. There are approximately 485 fire hydrants connected to the System.

The City’s wastewater collection and treatment facilities consist of 76 miles of sanitary sewer mains ranging in sizes from 6 inches to 24 inches and force mains ranging in sizes from 6 inches to 18 inches. Gravity sewer is connected by way of 420 manholes within the System. Prior to 2015, sewage flowed through the collection system into a 100 acre, five cell lagoon system. The proceeds of revenue bonds issued in 2013 were used for the acquisition, construction, installation and equipping of a new mechanical wastewater treatment plant with a 2.0 million gallon per day treatment capacity that became operational in 2015. The wastewater treatment plant utilizes an activated sludge biological treatment process along with ultraviolet light disinfection to treat wastewater before discharging it into the 102 River. The wastewater treatment plant includes a screening and grit removal facility, an activated sludge basin, final clarifiers, sludge and effluent pumping systems, an ultraviolet disinfection system and an operations building. The previous lagoon system was converted to flow equalization and sludge storage basins.

Since April of 2006, the daily operations of the System have been managed by PeopleService, Inc. (“PeopleService”). PeopleService provides operation and maintenance for municipal and industrial water and wastewater utility systems throughout the Midwest, including over 100 clients in the states of Nebraska, Iowa, Missouri, Illinois and Minnesota. Additional information about PeopleService is available at <http://www.peopleservice.com/index.html>. Pursuant to an Operation and Maintenance Agreement dated as of October 1, 2012 (the “Management Contract”), PeopleService is compensated at a monthly flat rate from System revenues as an operating expense of the System. The Management Contract is structured in a manner that does not result in “private use” for purposes of the Internal Revenue Code of 1986, as amended.

Customers

All service requires a minimum \$125 deposit. Water bills are calculated monthly and mailed the second to last working day of the month. Bills are due by the 15th of the next month. Bills not paid by 11:00 a.m. on the 16th of the month are considered delinquent and a 10% penalty is applied. Failure to pay a water bill by 5:00 p.m. on the first working day of the following month results in a \$15 late service charge and the possibility of immediate disconnection. Reconnection requires payment of the past due bills and disconnection and reconnection fees.

The approximate total number of customers for each of the last five years is as follows:

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|----------------------|-------------|-------------|-------------|-------------|-------------|
| Water Customers | 4,146 | 4,195 | 4,198 | 4,200 | 4,216 |
| Wastewater Customers | 4,141 | 4,176 | 4,206 | 4,205 | 4,199 |

The approximate total number of customers of the waterworks portion of the System for each of the last five years is as follows:

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-------------|-------------|-------------|-------------|-------------|-------------|
| Residential | 3,237 | 3,281 | 3,260 | 3,275 | 3,283 |
| Commercial | <u>909</u> | <u>914</u> | <u>938</u> | <u>925</u> | <u>933</u> |
| Total | 4,146 | 4,195 | 4,198 | 4,200 | 4,216 |

The approximate total number of customers of the sewerage portion of the System for each of the last five years is as follows:

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|-------------|--------------|--------------|--------------|--------------|--------------|
| Residential | 3,232 | 3,294 | 3,279 | 3,295 | 3,299 |
| Commercial | <u>909</u> | <u>882</u> | <u>927</u> | <u>910</u> | <u>900</u> |
| Total | <u>4,141</u> | <u>4,176</u> | <u>4,206</u> | <u>4,205</u> | <u>4,199</u> |

The following is a list of the top ten customers during the fiscal year ending September 30, 2018:

| <u>Name</u> | <u>Revenues</u> | <u>% of Total</u> |
|-------------------------------------|-----------------|-------------------|
| Public Water Supply District No. 1 | \$1,022,899 | 20.88% |
| Northwest Missouri State University | 466,827 | 9.53 |
| Nucor-LMP | 166,525 | 3.40 |
| Kawasaki Motors | 161,207 | 3.29 |
| Horizons West Apartments | 73,600 | 1.50 |
| St. Francis Hospital | 66,031 | 1.35 |
| Federal Mogul | 61,063 | 1.25 |
| LaClede Chain Mfg | 38,764 | 0.79 |
| Car Wash | 31,944 | 0.65 |
| Hy Vee Food Store | 26,469 | 0.54 |

Agreement with Public Water Supply District No.1

A portion of the City's limits are adjacent to the boundaries of Public Water Supply District No.1 of Nodaway County, Missouri ("Public Water Supply District No. 1"). There has historically been a small amount of overlap between the service areas of the City and Public Water Supply District No.1. To address service area boundary issues and to govern the terms under which the City provides treated water to Public Water Supply District No.1, the City and Public Water Supply District No.1 have entered into a series of agreements and amendments beginning with a contract dated December 13, 1977, with the most recent agreement being the Agreement dated December 27, 2018 (the 1977 contract, together with all amendments and supplements thereto, being the "Water Service Agreement"). The term of the Water Service Agreement ends on June 1, 2035. The Water Service Agreement sets out the service area of the City and Public Water Supply District No.1, with the City's service area consisting of (1) the area within City limits, except for an area designated as "Homestead Housing," and (2) certain areas outside City limits and within the boundaries of Public Water Supply District No. 1 for which the City has purchased the right to provide service (the "Negotiated City Service Area"). See **"HISTORY AND OPERATION OF THE SYSTEM - Debt Structure of the City Related to the System"** below for information on the promissory note executed by the City in connection with the Negotiated City Service Area acquisition.

In addition to establishing the service areas of the City and Public Water Supply District No.1, the Water Services Contract establishes the terms under which the City provides treated water to Public Water Supply District No.1. Under the Water Services Contract, the City is required to provide treated water to meet the demands of Public Water Supply District No. 1 up to a maximum of 1,000,000 gallons per day and Public Water Supply District No.1 agrees to purchase a minimum of 120,000,000 gallons per year, with any shortfall being charged to Public Water Supply District No. 1 in the December billing. The price for such water is established as a percentage of the "Prevailing Rate" set by the City in its code of ordinances. See **"HISTORY AND OPERATION OF THE SYSTEM - City Water Rates"** below for the current Prevailing Rate and the applicable percentage rate structure. Any increase by the City in the Prevailing Rate must either be (1) equal to the percentage of increase in the City's rate for water sold to resident purchasers of 101-5,000 cubic feet per month or (2) if the City changes its rate structure to eliminate such tier, equal to the percentage of increase in the City's rate for the category that includes the usage amount of most of the residential users within City limits. Any increase in the Prevailing Rate must be preceded by a 60-day notice to Public Water Supply District No.1.

Net Revenues Available for Debt Service

Fiscal Year Ended September 30

| | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|---|--------------------|--------------------|--------------------|
| Revenues (operating revenues plus interest and rental income) | \$5,110,590 | \$4,919,419 | \$4,784,275 |
| Less operating and interest expenses | <u>5,270,977</u> | <u>4,921,657</u> | <u>4,946,924</u> |
| Net Income (Loss) | (160,387) | (2,238) | (162,649) |
| Plus depreciation, amortization and interest expenses | <u>2,526,514</u> | <u>2,349,252</u> | <u>2,399,723</u> |
| Income available for debt service | \$2,366,127 | \$2,347,014 | \$2,237,074 |
| Debt Service for Revenue Bonds | \$1,098,791 | \$1,102,719 | \$1,098,680 |
| Debt Service for all Long-Term Obligations | \$1,930,052 | \$1,650,100 | \$1,587,443 |
| Coverage Ratio for Revenue Bonds | 2.15x | 2.13x | 2.04x |
| Coverage Ratio for all Long-Term Obligations | 1.23x | 1.42x | 1.41x |

City Water Rates

The current rate schedule is as follows:

| <u>Cubic Feet/Month</u> | <u>Per 100 cubic feet (or fraction thereof)</u> |
|--------------------------------|--|
| Residents: | |
| 0-100 | \$5.23 |
| 101-5,000 | 4.76 |
| 5,001 and above | 4.69 |
| Non-residents: | |
| 0-10,000 | Resident rate plus 10% |
| 10,001 and above | \$4.81 |

The City has also established certain minimum charges for customers with meters other than 5/8 inch or 5/8 inch x 3/4 inch, additional charges for private fire hydrants and automatic sprinkler systems and a special rate for bulk sales of \$8.00 per 1,000 gallons or any fraction thereof.

Pursuant to the Water Service Agreement, the City supplies water to Public Water Supply District No. 1 at a fraction of the rate of \$6.46 per 1,000 gallons (the "Prevailing Rate"), effective September 1, 2014, as follows:

| <u>Gallons/Month</u> | <u>Per 1,000 gallons (or fraction thereof)</u> |
|-----------------------------|---|
| 0-8,000,000 | 85% of Prevailing Rate |
| 8,000,001-12,000,000 | 80% of Prevailing Rate |
| 12,000,001 and above | 75% of Prevailing Rate |

City Sewer Rates

All metered users of City water services shall pay a monthly sewer charge based upon its water consumption in accordance with the following schedule:

| <u>Cubic Feet/Month</u> | <u>Per 100 cubic feet (or fraction thereof)</u> |
|--|---|
| Resident and non- Resident customers: | |
| 0-100 | \$14.81 |
| 101 and above | 3.92 |
| Customers within the Negotiated City Service Area: | |
| 0-100 | \$29.61 |
| 101 and above | 7.83 |

Future Capital Improvements

In order to meet the financial impact of these necessary capital improvements, the City began increasing its water and sewer rates. These incremental increases will continue over the next 15 years to both the water and sewer rates to ensure operations, maintenance, and debt service funding can be met while still keeping appropriate fund balance reserves on hand for unforeseen emergencies.

Authority to Issue Additional Revenue Obligations

The City may issue revenue bonds to finance additional capital projects to the System for the City upon a simple majority vote of the qualified voters.

FINANCIAL INFORMATION CONCERNING THE CITY

Accounting, Budgeting and Auditing Procedures

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

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

The financial records of the City are audited annually by a firm of independent certified public accountants in accordance with generally accepted governmental auditing standards. The annual audit for the fiscal year ending

September 30, 2018 was performed by Hochschild, Bloom & Company LLP, Certified Public Accountants, Chesterfield, Missouri. Copies of the audit reports for the past 5 years are on file in the City Clerk’s Office and are available for review at www.maryville.org. The Comprehensive Annual Financial Report of the City is included in **Appendix B** attached hereto.

Sources of Revenue

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

| <u>Source</u> | <u>Amount</u> | <u>Percent</u> |
|----------------------------|--------------------|----------------|
| Taxes | \$6,613,472 | 66.61% |
| Licenses, Permits & Fees | 69,665 | 0.70 |
| Intergovernmental Revenues | 2,246,934 | 22.63 |
| Charge for Services | 628,277 | 6.33 |
| Fines & Forfeitures | 135,396 | 1.36 |
| Interest | 72,177 | 0.73 |
| Other Revenue | <u>162,587</u> | <u>1.64</u> |
| | <u>\$9,928,508</u> | <u>100.00%</u> |

Source: City of Maryville, Missouri Annual Financial Report, September 30, 2018.

Property Valuations

Assessment Procedure:

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

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

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

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

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

Current Assessed Valuation:

The following table shows the total assessed valuation, by category, of all taxable tangible property situated in the City according to the assessment of **2019** (the last completed assessment):

| | <u>Assessed Valuation</u> | <u>Assessment Rate</u> | <u>Estimated Actual Valuation</u> |
|-------------------|-------------------------------|----------------------------|---------------------------------------|
| Real Estate: | | | |
| Residential | \$70,045,900 | 19% | \$368,662,632 |
| Commercial | 31,713,239 | 32 | 99,103,872 |
| Agricultural | <u>49,620</u> | 12 | <u>413,500</u> |
| Sub-Total | 101,808,759 | | 468,180,003 |
| Personal Property | <u>35,779,705</u> | 33 1/3%* | <u>107,339,115</u> |
| Total | <u>\$137,588,464</u> | | <u>\$575,519,118</u> |

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

History of Property Valuation:

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

| <u>Year</u> | <u>Assessed Valuation</u> | <u>Percent Change</u> |
|-------------|-------------------------------|---------------------------|
| 2019 | \$137,588,464 | 3.42% |
| 2018 | 133,033,474 | (1.87) |
| 2017 | 135,562,170 | 1.41 |
| 2016 | 133,682,037 | (1.95) |
| 2015 | 136,344,095 | 5.75 |
| 2014 | 128,932,126 | (0.18) |

Retail Sales Taxes

The following table shows collections of sales taxes for the City during the last five fiscal years for which audited financial statements are available:

| <u>Fiscal Year</u> | <u>1% General</u> | <u>1/8% Parks</u> | <u>1/8% Parks</u> | <u>1/2% Capital</u> | <u>1/2% Mozingo⁽¹⁾</u> | <u>1/8% Mozingo⁽²⁾</u> |
|------------------------|-----------------------|-----------------------|-----------------------|-------------------------|---------------------------------------|---------------------------------------|
| 2018 | \$1,971,941 | \$235,261 | \$235,261 | \$940,643 | \$945,726 | \$235,910 |
| 2017 | 1,948,827 | 234,204 | 234,204 | 936,805 | 968,274 | 224,149 |
| 2016 | 1,940,921 | 232,971 | 232,992 | 932,289 | 970,447 | - |
| 2015 | 1,902,061 | 227,818 | 227,818 | 911,155 | 951,025 | - |
| 2014 | 1,850,867 | 221,556 | 221,556 | 884,269 | 925,381 | - |

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

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

Source: City.

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

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

The City began collection of a use tax on July 1, 2019.

Tax Increment Financing

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

Property Tax Levies and Collections

Tax Collection Procedure:

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

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

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

Tax Rates

Debt Service Levy. The current debt service levy of the City is \$0.0782 per \$100 of assessed valuation. Once indebtedness has been approved by the constitutionally required percentage of the voters voting therefor and bonds are issued, the City is required under Article VI, Section 26(f) of the Missouri Constitution to levy an annual tax on all taxable tangible property therein sufficient to pay the interest and principal of the indebtedness as they fall due and to retire the same within 20 years from the date of issue. The City Council may set the tax rate for debt service, without limitation as to rate or amount, at the level required to make such payments.

Operating Levy. The current general fund levy of the City is \$0.3650 per \$100 of assessed valuation. The general fund and park fund levy cannot exceed the “tax rate ceiling” for the current year without voter approval. The tax rate ceiling, determined annually, is the rate of levy which, when charged against the newly assessed valuation of the City for the current year, excluding new construction and improvements, will produce an amount of tax revenues equal to tax revenues for the previous year increased by 5% or the Consumer Price Index, whichever is lower. Without the required percentage of voter approval, the tax rate ceiling cannot at any time exceed the greater of the tax rate in effect in 1980 or the most recent voter-approved tax rate. The tax levy for debt service on the City's general obligation bonds is exempt from the calculations of and limitations upon the tax rate ceiling. Under Article X, Section 11(c) of the Missouri Constitution, any increase in the City's general fund or park fund levy above \$1.00 must be approved by two-thirds of the voters voting on the proposition. The current tax rate ceiling for the general fund is \$0.40 per \$100 of assessed valuation.

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

| Fiscal Year Ended September 30 | General Fund | Park & Rec Fund | Debt Service | Total Levy |
|---|-------------------------|--------------------------------|-------------------------|-----------------------|
| 2019 | \$0.3650 | \$0.4085 | \$0.0848 | \$0.8583 |
| 2018 | 0.3556 | 0.4085 | 0.0978 | 0.8619 |
| 2017 | 0.3556 | 0.4085 | 0.1290 | 0.8931 |
| 2016 | 0.3415 | 0.4036 | 0.1352 | 0.8803 |
| 2015 | 0.3412 | 0.3000 | 0.1378 | 0.7790 |
| 2014 | 0.3383 | 0.3000 | 0.1294 | 0.7677 |

Tax Collection Record

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

| Year Ended September 30 | Total Levy | Taxes Levied | Current and Delinquent Taxes Collected | |
|--|-----------------------|-------------------------|---|----------|
| | | | Amount | % |
| 2018 | \$0.8619 | \$1,154,936 | \$1,128,067 | 97.67% |
| 2017 | 0.8931 | 1,179,952 | 1,184,025 | 100.35 |
| 2016 | 0.8803 | 1,186,475 | 1,186,871 | 100.03 |
| 2015 | 0.7790 | 1,004,381 | 995,144 | 99.08 |
| 2014 | 0.7677 | 991,604 | 985,522 | 99.39 |

Major Property Taxpayers

The following table sets forth the ten largest real property taxpayers in the City based upon assessed valuation of 2018.

| | <u>Name of Taxpayer</u> | <u>Local Assessed Valuation</u> | <u>Percentage of Total Local Assessed Valuation</u> |
|-----|---|---------------------------------|---|
| 1. | Wal-Mart | \$2,494,200 | 1.93 |
| 2. | Daniels Childrens Investments LLC | 1,470,290 | 1.14 |
| 3. | Federal Mogul Vehicle Component | 1,060,350 | 0.82 |
| 4. | Maryville Missouri Assisted Living Prop Inv | 778,840 | 0.60 |
| 5. | Deluxe Manufacturing | 743,140 | 0.58 |
| 6. | Nucor-LMP Inc. | 714,650 | 0.55 |
| 7. | Consumers Oil Company | 668,790 | 0.52 |
| 8. | Inland Realty | 602,580 | 0.47 |
| 9. | Krzyzostaniok, Dorothy | 572,320 | 0.44 |
| 10. | Snyder & Snyder LLC | 504,030 | 0.39 |

Source: Nodaway County Assessor's Office.

Pension and Employee Retirement Plans

The City participates in the Missouri Local Government Employees' Retirement System ("LAGERS"), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS was created and is governed by state statute, and is a defined-benefit pension plan that provides retirement, disability and death benefits. The plan is qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended, and is tax-exempt. LAGERS is governed by a seven-member Board of Trustees ("LAGERS' Board") consisting of three trustees elected by participating employees, three trustees elected by participating employers and one trustee appointed by the Missouri Governor.

LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. The LAGERS Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018 (the "2018 LAGERS CAFR") is available at <https://www.molagers.org/assets/cafr-2018.pdf>. 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.

The City has elected to adopt a new benefit program effective November 1, 2019. The City approved an increase to the benefit level which resulted in an increase to the City's general employees' contribution rate of 11.9% of payroll to 15.6%; increased the police employees' contribution rate of 4.6% to 9.2%; and increased the fire employees' contribution rate of 0.9% to 4.2%. According to the supplemental actuarial report prepared as of February 28, 2019 this would result in an additional \$140,769 in contributions for all three groups for the fiscal year starting October 1, 2020. The City's plan is non-contributory, so there is no individual employee contribution, no individual account is maintained for each employee, and no refund is paid to employees that terminate before being eligible for a benefit. As per the LAGERS' funding policy, the City will amortize the cost of this change over a closed 20-year period. For financial reporting purposes, GASB Statement No. 68 requires the cost of this benefit change be expensed in the year the change was effective. The approximate expense related to the benefit change will be \$1,200,000, which will appear on the City's 2020 financial statements as a component of their LAGERS pension expense. LAGERS does not require this expenditure to be paid in full by the City, the cost will be reflected in the City's employer contribution rate.

For information specific to the City's participation in LAGERS, including the City's past contributions, net pension liability, and pension expense, see Note 11 to the City's financial statements included in Appendix B to this Official Statement. For additional information regarding LAGERS, see the 2018 LAGERS CAFR.

APPENDIX B

**COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY
FOR THE YEAR ENDED SEPTEMBER 30, 2018**



CITY OF MARYVILLE, MISSOURI

Comprehensive Annual Financial Report

For the Year Ended September 30, 2018

CITY OF MARYVILLE, MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2018



Report issued by the Department of Finance

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Introductory Section

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City of Maryville, Missouri

415 North Market Street Maryville, Missouri 64468-0438

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February 28, 2019

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

It is our pleasure to formally submit the Comprehensive Annual Financial Report (CAFR) of the City of Maryville, Missouri (the City), for the fiscal year ended September 30, 2018. This report was prepared by the Finance Department, and the responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

Hochschild, Bloom and Company, LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Maryville, Missouri's financial statements for the year ended September 30, 2018. The independent auditor's report is located at the front of the financial section of this report.

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

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

PROFILE OF THE GOVERNMENT

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

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

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

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

LOCAL ECONOMY

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

The City of Maryville is a blend of small town living and cultural amenities usually found in larger communities. Northwest Missouri State University (NWMSU), located near downtown Maryville, was established in 1905 and currently offers courses in a balanced selection of degree opportunities to over 7,000 students. Through its "Encore" series, residents are able to enjoy a wide offering of musical events and lectures. The local economy also benefits from the Center for Innovation and Entrepreneurship (CIE) located on the university campus. The CIE is a 46,679 square foot educational facility featuring lecture halls, faculty offices, and state-of-the-art laboratories and research labs. The facility currently houses the School of Agricultural Sciences and the Department of Natural Sciences and provides students a unique learning environment connecting local industry and academics.

The City welcomes industry of all types into the community and recognizes their contributions on the local, regional, national and global economy. Several large industries located in Maryville include Kawasaki, LaCleda Chain, NuCor-LMP, and Federal Mogul. In 2016, Midwest Warehousing purchased the former Energizer Holdings, Inc. property which had remained vacant since closure of the plant in 2013. Vacant space remains available in the facility for continued industrial growth through lease opportunities. In 2015, the City partnered with Kawasaki Motors Manufacturing to voluntarily annex the plant and utilize Industrial Development Bonds (IDBs) to facilitate a \$25.5 million plant expansion. In early 2018, the City issued \$25 million in additional bonds to replace critical

equipment at the plant. Through this partnership more \$50 million of foreign investment has been secured within the last three years for the Maryville economy. The City also continues to partner with Nodaway County Economic Development (NCED) on recruitment and retention of industrial employers.

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

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

MAJOR INITIATIVES & LONG TERM FINANCIAL PLANNING

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

In April 2017, voters approved a twenty-year extension of an existing one-half of one percent sales tax for capital improvements. Originally approved in 2008, the sales tax provides over \$900,000 each year toward infrastructure, equipment, or debt financing of large-scale initiatives. The continued funding ensured that Maryville moved forward on several high priority projects in 2018 identified in the Maryville Comprehensive Plan. Those initiatives include, but are not limited to:

Maryville Public Safety (MPS) Facility Replacement

The Maryville Public Safety Department currently operates in a refurbished 1970's era grocery with numerous deterioration and maintenance issues. The facility also lacks appropriate space for today's law enforcement and firefighting services. In 2018, the City purchased a 1.7-acre tract of vacant land at the northeast corner of East First Street and North Vine. Williams Spurgeon Kuhl & Freshnock Architects, Inc. was hired to complete engineering and design of the facility. Construction of the new facility is anticipated for spring 2019.

Street Resurfacing -

In 2018, a record \$2 million in street repairs were completed for both poorly conditioned asphalt and concrete roadways. Asphalt roadway repair included N. Main Street, 2nd Street, S. Frederick, W. Thompson, W. Jenkins, E. Jenkins, W. 3rd Street, E. 6th Street, N. Laura, S. Grand, Park Ave, W. Cooper, S. Saunders, N. Dunn, S. Alvin, N. College, S. Buchanan, and W. Edwards. In addition, the City partnered with Nodaway County and Polk Township to upgrade Hawk Road from gravel to asphalt to improve access to Northwest Missouri Regional Airport and the Nodaway County Fair Barn. Concrete sections along Country Club, Larry Drive, Aurora, and South Munn were also repaired. Capital improvement funding also allowed for complete replacement of deteriorated curb and concrete along East Crestview with new concrete curbs and an asphalt roadway. Approximately nine (9) linear miles of roadway conditions were upgraded with these efforts.

South Main Street Improvements -

The design for the South Main Improvements, Phase I is nearing completion and includes improvements along the corridor from South Avenue to the north entrance of Walmart. The project includes widening and turn lanes at

the South Avenue intersection, alignment of business entrances, storm drainage improvements, and significant pedestrian and aesthetic enhancements for a safe and attractive corridor. The City anticipates Phase I to be shovel-ready for construction in FY'19. In July, the City applied for \$10.4 million in Better Utilizing Investments to Leverage Development (BUILD) funds through the US Department of Transportation to reconstruct the entire South Main Corridor from South Avenue to Highway 71 bypass. Grant funds would allow for the construction of all three phases as one project to achieve cost savings and limit disruption along the corridor. Awards for BUILD projects are scheduled to be announced in December 2018. The South Main corridor contains 65% of all retail in Nodaway County and provides critical access to industry, education, and healthcare.

In 2018, numerous improvements were also made to water and sewer infrastructure throughout the community. The College Avenue Waterline Extension Project installed a new 12" water main to create a critical loop in the system while providing water service to Hughes Fieldhouse at Northwest Missouri State University. Other major projects such as the East Sanitary Improvement Project, South Market Waterline, and Sanitary Sewer Conversion projects began engineering and design. The City purchased a Vaccon Combination Sewer Machine to ensure routine and proper maintenance of the sanitary sewer system. In addition, significant investments were made to the sanitary sewer system to reduce storm water inflow and infiltration (I&I). Reduction of unnecessary storm water from the system decreases the likelihood of backups and reduces mechanical treatment costs.

The Maryville community also continued advances in the tourism industry to ensure it is a significant portion of the local economy's future. In November 2016, voters approved a 5% transient guest tax to promote tourism initiatives. A portion of the revenues will be used to assist Northwest Missouri State University with the construction of the Hughes Fieldhouse. The 137,250 square foot facility will provide premier athletic/recreational space, practice turf, indoor track, and hard surface flooring system serving a wide variety of regional events. The facility is nearly complete with construction and will boost general recreation and the regional economy. Remaining transient guest tax fund revenues are being used by the local Tourism Committee. The committee is comprised of members from five organizations with a vested tourism interest and several citizens serving at-large. In 2018, the group secured a grant from the Missouri Division of Tourism to partner with Knacktive at Northwest Missouri State University. Knacktive is an advanced, undergraduate, course/agency experience designed to replicate the creative demands of a professional marketing communications agency. In FY'19, the Tourism Committee will partner with Knacktive to develop a brand for Maryville Tourism with the intention of increasing visitors and sales to the local economy.

One of the largest tourism draws to Maryville continues to be Mazingo Lake Recreation Park. The park is owned and operated by the City of Maryville and encompasses 3,000 acres of land with a 1,000 acre lake. The lake serves as Maryville's primary source of water, but is also surrounded by world-class recreational amenities. Park amenities include: RV campsites, primitive campsites, cabins, youth cabins, hiking trails, boat ramps, fishing docks, multipurpose building, equestrian trails/camp, and public beach. The park also is home to two feature golf courses, the Sechrest 18 and Watson 9. The Watson 9 opened in May 2017 to international media reviews as a premier nine-hole junior/short course. Legendary golfer Tom Watson designed the course as a part of a local grass roots effort to promote youth golf. Mr. Watson attends annual junior golf camps at the Watson 9 and it serves as a regional draw and asset.

On January 2, 2018, the Conference Center at Mazingo Lake Recreation Park was opened to the public. The facility includes meeting space for up to 500 persons, large pre-function space, a new golf pro shop, indoor golf swing bays, indoor cart storage, catering kitchen, events lawn, and space for a full-service restaurant. The conference center was identified as the top priority in the Mazingo Master Plan and ultimately supported by voters in April 2016 by a new one eighth (1/8) of one (1) percent sales tax for construction and operation costs. The facility will host weddings, expanded golf tournaments, conferences, and corporate events; all serving to boost tourism dollars to the local economy. Through corresponding economic development efforts, the City of Maryville entered into a lease agreement with Brown Bread, LLC dba William Coy's to operate a full-service farm-to-table restaurant at the conference center. The restaurant compliments the facility and the privately-owned Boulders Inn & Suites hotel located on-site.

The projects described above are only a fraction of the major initiatives pursued by the City of Maryville. These projects are designed to improve the quality of life for the citizens of Maryville and strategically position the City for continued success.

Moving forward, continued success will require long-term financial planning and adjusting to the growing trend of online retail sales. Increasing online sales present a new challenge to communities dependent on sales tax revenues and local brick-and-mortar retailers. According to the Missouri Department of Revenue, purchases made online to out-of-state vendors by Maryville residents alone totaled \$10.3 million in 2016. No local sales tax was charged on these purchases resulting in an estimated \$245,000 in lost revenue, compared to if these purchases were made in local stores. The City of Maryville has placed a local use tax question on the November 6, 2018 ballot for consideration by Maryville voters. A use tax allows for the local sales tax rate to be applied to purchases of goods by Missouri residents and businesses from out-of-state vendors. This typically includes online purchases, catalog, and direct market sales from out-of-state vendors who have a physical nexus in Missouri. The use tax only applies to out-of-state vendors where no sales tax is currently being charged. If approved, the use tax will capture the same local sales tax rate to be used in the same manner already approved by voters. In addition, a court case in 2012 led to a mandate by the State of Missouri that motor vehicle sales tax must be reauthorized by local voters before the end of 2018 or a municipality must cease in collecting this revenue. The City of Maryville receives approximately \$45,000 in the General Fund each year from this source. If a use tax is approved by voters, the City will continue to collect this out-of-state sales tax on motorized vehicles, boats, and trailers.

RELEVANT FINANCIAL POLICIES

The City has adopted a comprehensive set of accounting policies. During the fiscal year, the following policy was particularly relevant. The City has a policy that requires periodic reviews of all outstanding debt to be undertaken to determine refunding opportunities. Refunding will be considered when the analysis indicates the potential for present value savings of approximately 3% of the principal being refunded for current refundings, and a 5% threshold for advance refundings. During the fiscal year, the City issued General Obligation Refunding Bonds in the amount of \$2,390,000 and paid amounts to refund \$2,445,000 of the outstanding Series 2009 bonds. This resulted in a savings of approximately 8.4% on the refunded bonds and 8.6% on the refunding bonds.

BUDGETARY CONTROLS

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

INDEPENDENT AUDIT

City policy requires an annual audit to be made of the financial statements of the various funds. The independent certified public accounting firm of Hochschild, Bloom and Company audited the financial statements contained in this report for the year ended September 30, 2018. The auditor's report on the basic financial statements is included in the financial section of this report.

RISK MANAGEMENT

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

The City is self-insured for health insurance purposes, with the plan administered by Benefit Administration Services. The City's dental insurance is provided by Principal Life.

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

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Maryville for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2017. This was the tenth year that the City received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

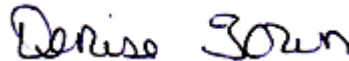
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,



Greg McDanel
City Manager



Denise Town
Finance Director



Government Finance Officers Association

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

Presented to

**City of Maryville
Missouri**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

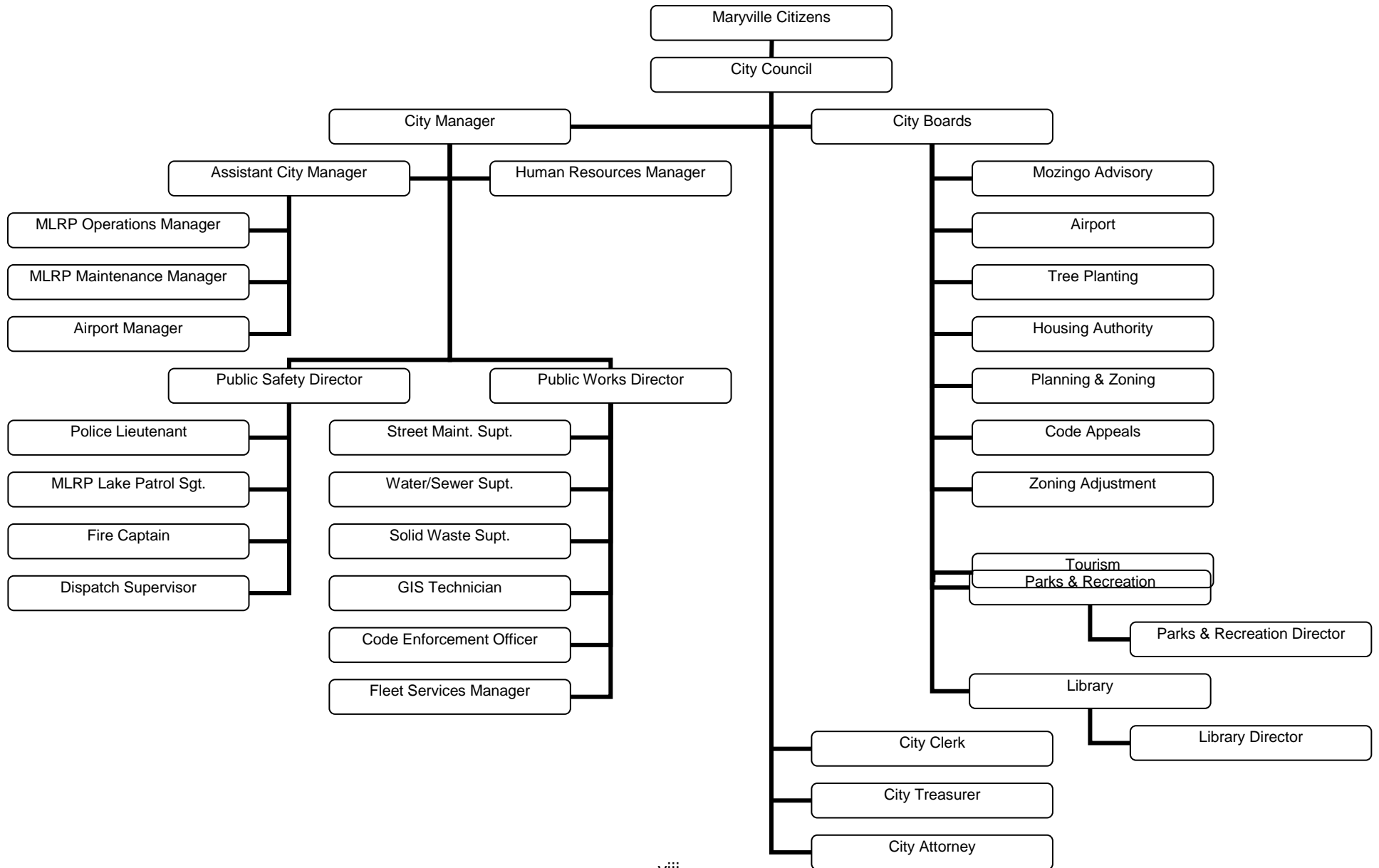
September 30, 2017

Christopher P. Morill

Executive Director/CEO

City of Maryville, Missouri

Organizational Chart
Year Ended September 30, 2018



City of Maryville, Missouri

**Principal Officials
Year Ended September 30, 2018**

Elected Officials

| Title | Name |
|----------------|-----------------|
| Mayor | Rachael Martin |
| Mayor Pro-Tem | Benjamin Lipiec |
| Council Member | Matthew Johnson |
| Council Member | Jason McDowell |
| Council Member | Renee Riedel |

Administration

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

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Financial Section

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

INDEPENDENT AUDITOR'S REPORT

February 28, 2019

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **CITY OF MARYVILLE, MISSOURI** (the City), as of and for the year ended September 30, 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 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 and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplementary information and introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

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

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2019 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Hochschild, Bloom + Company LLP
CERTIFIED PUBLIC ACCOUNTANTS
Chesterfield, Missouri

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Maryville's (the City) financial statements presents a narrative overview and comparative analysis of the financial activities of the City for the fiscal year ended September 30, 2018.

We offer those interested in the City of Maryville's financial statements this narrative overview and analysis of the financial activities of the City of Maryville for the fiscal year ended September 30, 2018.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the September 30, 2018 fiscal year by \$45,342,883 (net position). The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the September 30, 2017 fiscal year by \$41,519,829 (net position).

The government's total net position increased by \$3,823,054 for fiscal year September 30, 2018.

As of the close of this current fiscal year, the City's governmental funds reported combined ending fund balances of \$7,889,545, an increase of \$4,619,330 in comparison with the prior year. Approximately 14 percent of this total amount, \$1,067,575, is available for spending at the government's discretion (unassigned fund balance). As of the close of the September 30, 2017 fiscal year, the City of Maryville's governmental funds reported combined ending fund balances of \$3,270,215, a decrease of \$40,113 in comparison with the prior year. Approximately 32 percent of the total amount, \$1,051,158, is available for spending at the government's discretion (unassigned fund balance).

At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,067,575, or 16.2 percent of total General Fund expenditures.

The City's total debt, excluding compensated absences, increased by \$3,648,091 (12.6 percent) during the current fiscal year.

City of Maryville, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2018

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

The **statement of activities** presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes and expense pertaining to earned but unused vacation.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, and park and recreation. The business-type activities of the City include water/sewer utility, solid waste, and Mozingo recreation.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, used fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into the following three categories: **Governmental** Funds, **Proprietary** Funds, and **Fiduciary** Funds.

Governmental Funds

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

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

The City maintains seven (7) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Park and Recreation Fund, and the Capital Improvements Fund which are considered to be major funds. Data from the remaining governmental funds, the TIF Fund, the Debt Retirement Fund, the Transient Guest Tax Fund, and the Permanent Fund are

City of Maryville, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2018

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.

Proprietary Funds

Proprietary funds are generally used to account for services for which the City charges customers—either outside customers, or internal units or departments of the City. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The City maintains the following two types of Proprietary funds:

Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses Enterprise funds to account for the operations of the Water and Sewer, Solid Waste, and Mozingo Recreation activities. All Enterprise funds are considered to be major funds of the City.

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

Fiduciary Funds

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

Notes to the Financial Statements

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

Required Supplementary Information

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

Combining Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Net Position

As noted earlier, net position may serve as a useful indicator of a government's financial position. For the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$45,342,883 at the close of the fiscal year ended September 30, 2018.

The largest portion of the City's net position reflects its investment of \$37,629,587 (82.9 percent) in capital assets (e.g. land, buildings, and equipment), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated from these liabilities.

City of Maryville, Missouri

**Management's Discussion and Analysis
For Fiscal Year Ended September 30, 2018**

Net Position

| | Governmental Activities 2018 | Business-Type Activities 2018 | Total 2018 | Governmental Activities 2017 | Business-Type Activities 2017 | Total 2017 |
|---------------------------------------|---|--|----------------------|---|--|----------------------|
| Assets | | | | | | |
| Current and other assets | \$ 10,990,854 | \$ 7,024,146 | \$ 18,015,000 | \$ 4,885,131 | \$ 9,786,523 | \$ 14,671,654 |
| Capital assets | 26,311,525 | 38,263,552 | 64,575,077 | 21,732,112 | 37,961,132 | 59,693,244 |
| Total assets | <u>37,302,379</u> | <u>45,287,698</u> | <u>82,590,077</u> | <u>26,617,243</u> | <u>47,747,655</u> | <u>74,364,898</u> |
| Deferred Outflows of Resources | | | | | | |
| Deferred outflows-pension related | 396,920 | 146,998 | 543,918 | 686,367 | 240,102 | 926,469 |
| Liabilities | | | | | | |
| Noncurrent liabilities | 9,790,118 | 22,304,180 | 32,094,298 | 4,202,334 | 23,555,936 | 27,758,270 |
| Other liabilities | 2,694,670 | 2,288,551 | 4,983,221 | 2,292,678 | 3,575,379 | 5,868,057 |
| Total liabilities | <u>12,484,788</u> | <u>24,592,731</u> | <u>37,077,519</u> | <u>6,495,012</u> | <u>27,131,315</u> | <u>33,626,327</u> |
| Deferred Inflows of Resources | | | | | | |
| Deferred inflows-pension related | 567,443 | 146,150 | 713,593 | 123,643 | 21,568 | 145,211 |
| Net Position | | | | | | |
| Net investment in capital assets | 20,946,530 | 16,683,057 | 37,629,587 | 17,413,295 | 16,703,223 | 34,116,518 |
| Restricted | 2,737,960 | 1,006,283 | 3,744,243 | 1,461,744 | 608,881 | 2,070,625 |
| Unrestricted | 962,578 | 3,006,475 | 3,969,053 | 1,809,916 | 3,522,770 | 5,332,686 |
| Total net position | <u>\$ 24,647,068</u> | <u>\$ 20,695,815</u> | <u>\$ 45,342,883</u> | <u>\$ 20,684,955</u> | <u>\$ 20,834,874</u> | <u>\$ 41,519,829</u> |

An additional portion of the City's net position (8.3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is \$3,969,053.

City of Maryville, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2018

Analysis of Changes in Net Position

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

Changes in Net Position

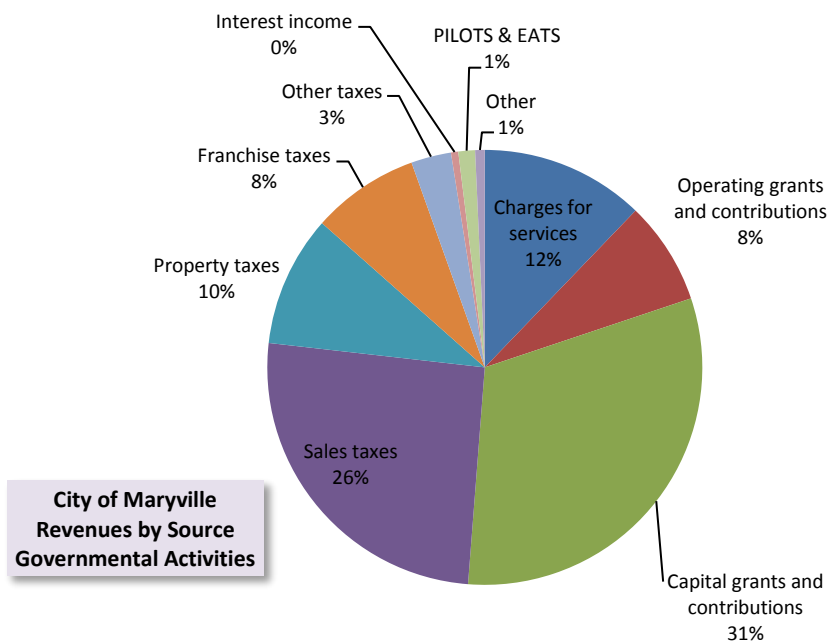
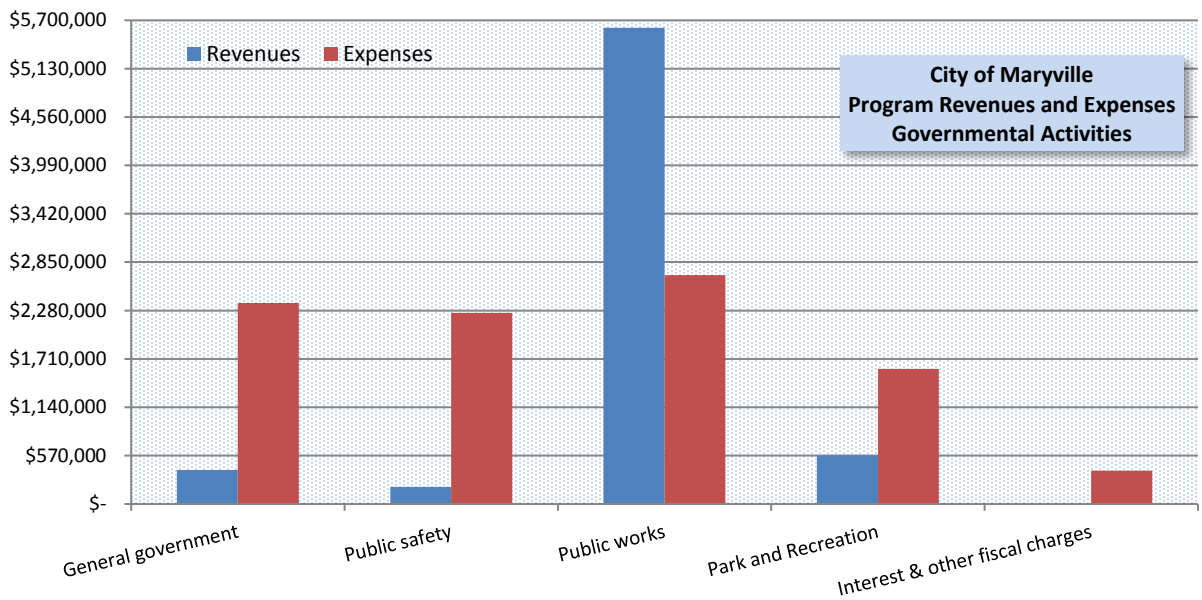
| | Governmental Activities 2018 | Business-Type Activities 2018 | Total 2018 | Governmental Activities 2017 | Business-Type Activities 2017 | Total 2017 |
|--------------------------------------|------------------------------------|-------------------------------------|----------------------|------------------------------------|-------------------------------------|----------------------|
| Revenues: | | | | | | |
| Program revenues | | | | | | |
| Charges for services | \$ 1,615,111 | \$ 6,320,938 | \$ 7,936,049 | \$ 1,697,013 | \$ 6,135,821 | \$ 7,832,834 |
| Operating grants and contributions | 1,015,995 | 126,139 | 1,142,134 | 52,212 | 40,677 | 92,889 |
| Capital grants and contributions | 4,155,768 | --- | 4,155,768 | 3,890,073 | --- | 3,890,073 |
| General revenues | | | | | | |
| Property taxes | 1,291,114 | --- | 1,291,114 | 1,346,888 | --- | 1,346,888 |
| Sales taxes | 3,383,106 | 1,181,636 | 4,564,742 | 3,354,040 | 1,192,423 | 4,546,463 |
| Franchise taxes | 1,058,849 | --- | 1,058,849 | 1,042,481 | --- | 1,042,481 |
| Other taxes | 395,145 | --- | 395,145 | 358,432 | --- | 358,432 |
| PILOTS & EATS-TIF | 164,632 | --- | 164,632 | 165,153 | --- | 165,153 |
| Interest income | 72,177 | 87,842 | 160,019 | 25,769 | 52,631 | 78,400 |
| Other | 94,426 | 4,090 | 98,516 | 196,726 | 49,546 | 246,272 |
| Gain on sale of capital assets | --- | --- | --- | 7,762 | --- | 7,762 |
| Total revenues | 13,246,323 | 7,720,645 | 20,966,968 | 12,136,549 | 7,471,098 | 19,607,647 |
| Expenses: | | | | | | |
| General government | 2,370,486 | --- | 2,370,486 | 1,504,479 | --- | 1,504,479 |
| Public safety | 2,252,619 | --- | 2,252,619 | 2,418,828 | --- | 2,418,828 |
| Public works | 2,695,743 | --- | 2,695,743 | 2,222,011 | --- | 2,222,011 |
| Parks and recreation | 1,593,320 | --- | 1,593,320 | 1,737,116 | --- | 1,737,116 |
| Interest and other fiscal charges | 393,486 | --- | 393,486 | 230,145 | --- | 230,145 |
| Solid waste | --- | 47,555 | 47,555 | --- | 52,538 | 52,538 |
| Water and sewer | --- | 5,270,977 | 5,270,977 | --- | 4,921,657 | 4,921,657 |
| Mozingo recreation | --- | 2,519,728 | 2,519,728 | --- | 2,141,181 | 2,141,181 |
| Total expenses | 9,305,654 | 7,838,260 | 17,143,914 | 8,112,579 | 7,115,376 | 15,227,955 |
| Excess (deficiency) before transfers | 3,940,669 | (117,615) | 3,823,054 | 4,023,970 | 355,722 | 4,379,692 |
| Transfers | 21,444 | (21,444) | --- | (299,556) | 299,556 | --- |
| Increase (decrease) in net position | 3,962,113 | (139,059) | 3,823,054 | 3,724,414 | 655,278 | 4,379,692 |
| Net position, beginning | 20,684,955 | 20,834,874 | 41,519,829 | 16,960,541 | 20,179,596 | 37,140,137 |
| Net position, ending | \$ 24,647,068 | \$ 20,695,815 | \$ 45,342,883 | \$ 20,684,955 | \$ 20,834,874 | \$ 41,519,829 |

Governmental activities. Governmental activities increased the City's net position by \$3,962,113. The largest revenue source for the City for 2018 was grants and contributions which increased from 2017 due to a Community Development Block Grant. Certain revenues are generated that are specific to governmental program activities. These totaled \$6,786,874 in 2018 and \$5,639,298 in 2017. The largest increase in

City of Maryville, Missouri

**Management’s Discussion and Analysis
For Fiscal Year Ended September 30, 2018**

expenditures was for the Community Development Block Grant pass-thru project for the St. Francis Hospital Early Education Daycare Facility.



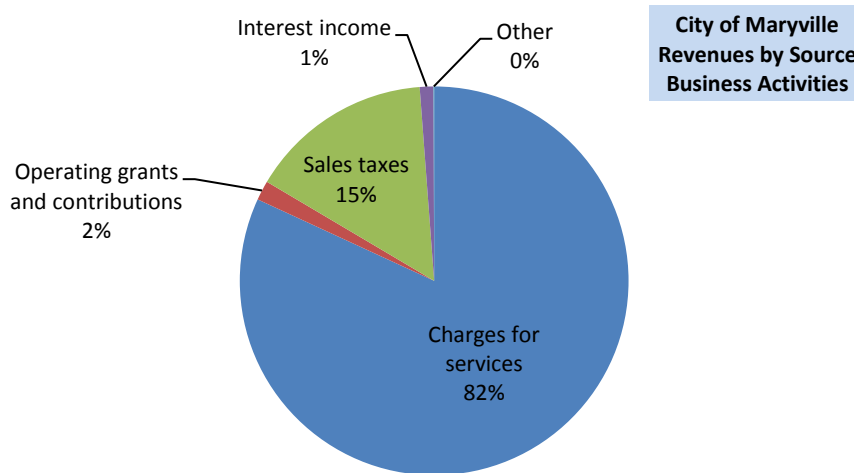
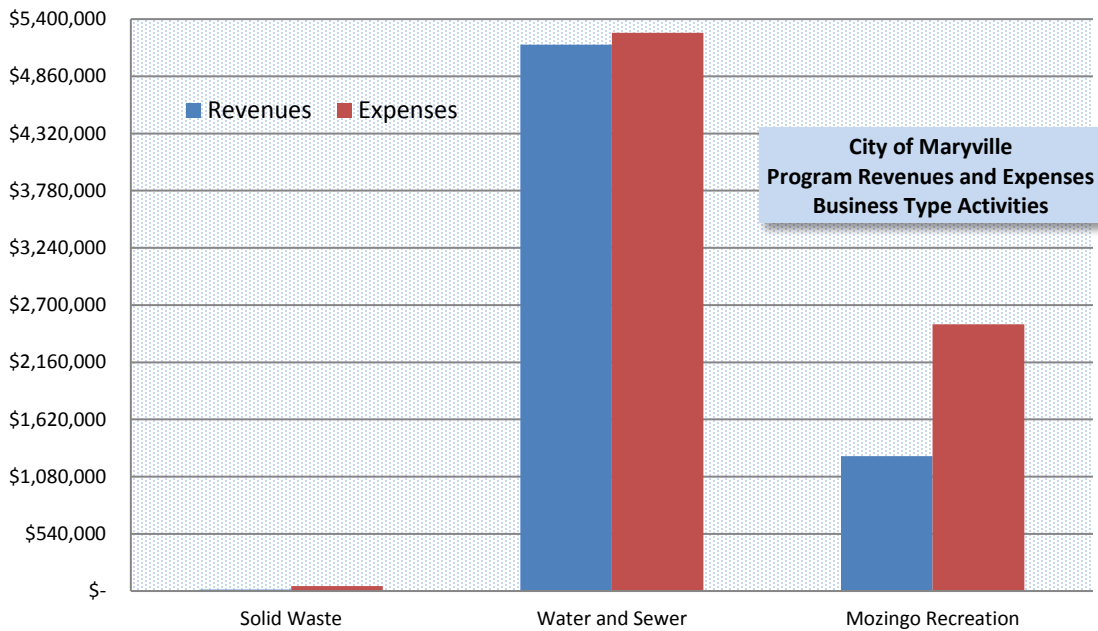
As shown in the Program Revenues and Expenses graph, public works is the largest function in expense (29.0 percent), followed by general government (25.5 percent) and public safety (24.2 percent). General revenues

City of Maryville, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2018

such as sales and property taxes are not shown by program, but are effectively used to support program activities citywide.

Business-type activities. Business-type activities decreased the City's net position by \$139,059. This is mainly due to additional depreciation on new assets, additional operating expenses on the new conference center at Mozingo Lake Recreation Park, treatment for algae in the water supply, and a variety of other expenses.



City of Maryville, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2018

As shown in the preceding two graphs for business-type activities' revenues, the largest of the City's business-type activities, Water and Sewer, had expenses of \$5,270,977, followed by Mozingo Recreation with expenses of \$2,519,728, and finally Solid Waste with \$47,555 in expenses. For the fiscal year, expenses exceeded revenues in all three of the activities. Fees provided the largest share of revenues (83.2 percent) followed by sales tax (15.6 percent), and interest revenue (1.2 percent).

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$7,889,545, an increase of \$4,619,330 in comparison with the prior year. Approximately 14 percent of this total amount, (\$1,067,575), constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is either nonspendable, restricted, committed or assigned to indicate that it is 1) not in spendable form (\$128,797), 2) restricted for particular purposes (\$5,774,527), 3) committed for particular purposes (\$466,836), or 4) assigned for the subsequent year's budget appropriation (\$451,810).

As of the end of the September 30, 2017 fiscal year, the City's governmental funds reported combined ending fund balances of \$3,270,215, a

decrease of \$40,113 in comparison with the prior year. Approximately 32 percent of this total amount, (\$1,051,158), constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is either nonspendable, restricted, committed or assigned to indicate that it is 1) not in spendable form (\$127,737), 2) restricted for particular purposes (\$1,346,313), 3) committed for particular purposes (\$452,684), or 4) assigned for the subsequent year's budget appropriation (\$292,323).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,067,575, while total fund balance was \$1,582,597. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 16.2 percent of total General Fund expenditures, while total fund balance represents 24.0 percent of that same amount. The fund balance of the City's General Fund increased by \$186,814 during the current fiscal year. This was mainly due to savings in personnel costs from vacancies and a change in health insurance carrier.

The Park and Recreation Fund has a total fund balance of \$427,399. The net increase in fund balance during the current year was \$4,816. This was primarily due to an increase in property tax revenue and from various program and event revenues.

The Capital Improvements Fund has a total fund balance of \$4,405,564. The net increase in fund balance during the current year was \$4,268,716. The increase was due to unspent bond proceeds from the issuance of certificates of participation.

General Fund Budgetary Highlights

Actual revenue was less than budgeted for court fines and forfeitures, primarily due to changes in the State legislation. On the expenditure side, some projects were delayed or modified, maintenance expenditures were not as high as anticipated, certain departments were understaffed during part

City of Maryville, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2018

of the year, resulting in favorable budget to actual expenditure variances, and a change in health insurance was implemented.

Proprietary Funds

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

Unrestricted net position of the Solid Waste Fund at the end of the year was \$(1,757,301); the Water and Sewer Fund was \$4,406,702; and the Mozingo Recreation Fund was \$357,074. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

Fiduciary Funds

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

City of Maryville, Missouri

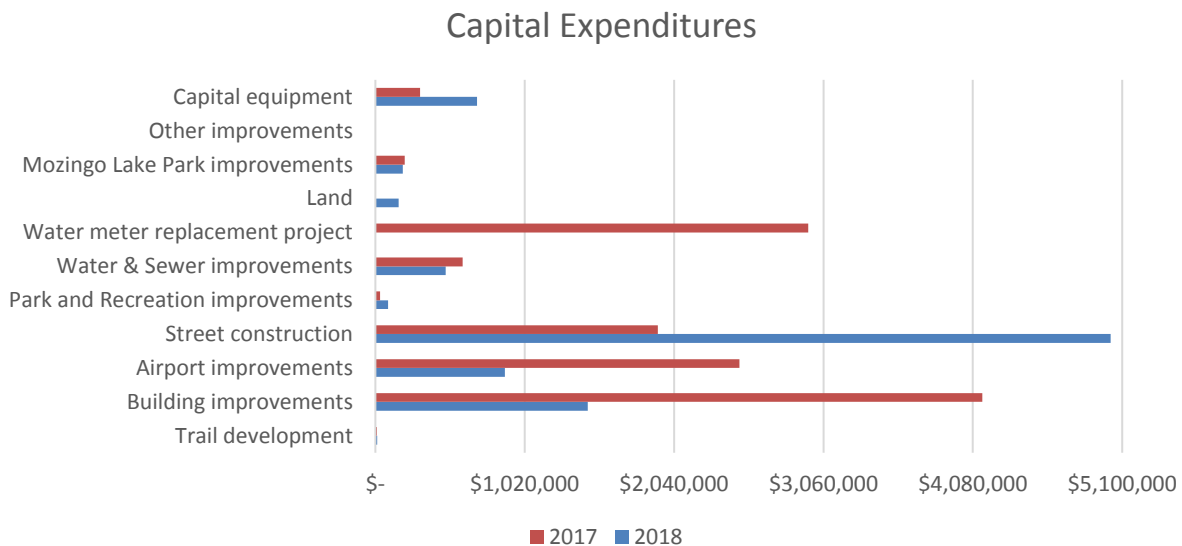
**Management’s Discussion and Analysis
For Fiscal Year Ended September 30, 2018**

Capital Asset and Debt Administration

Capital Assets. The City’s investment in capital assets for its governmental and business-type activities as of September 30, 2018, amounts to \$64,575,077 (net of accumulated depreciation). This investment in capital assets includes land, intangible, construction in progress, buildings, improvements, machinery and equipment. Major capital asset expenditures during 2018 and 2017 include:

| | 2018 | 2017 |
|----------------------------------|---------------------|----------------------|
| Trail development | \$ 12,000 | \$ 9,973 |
| Building improvements | 1,450,656 | 4,144,321 |
| Airport improvements | 885,303 | 2,486,089 |
| Street construction | 5,021,298 | 1,929,675 |
| Park and Recreation improvements | 86,673 | 31,197 |
| Water & Sewer improvements | 479,381 | 596,915 |
| Water meter replacement project | --- | 2,956,296 |
| Land | 158,782 | --- |
| Mozingo Lake Park improvements | 187,236 | 200,912 |
| Other improvements | --- | --- |
| Capital equipment | 694,467 | 305,221 |
| | <u>\$ 8,975,796</u> | <u>\$ 12,660,599</u> |

The following graph shows the capital expenditures:



City of Maryville, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2018

Capital Assets, Net of Depreciation

| | Governmental Activities 2018 | Governmental Activities 2017 | Business-Type Activities 2018 | Business-Type Activities 2017 | Total 2018 | Total 2017 |
|-----------------------------------|---|------------------------------------|--|-------------------------------------|-------------------|---------------|
| Land | \$ 659,539 | \$ 466,757 | \$ 1,907,872 | \$ 1,907,872 | \$ 2,567,411 | \$ 2,374,629 |
| Intangible asset | --- | --- | 259,304 | 240,304 | 259,304 | 240,304 |
| Buildings | 5,474,086 | 5,474,086 | 29,089,940 | 23,754,268 | 34,564,026 | 29,228,354 |
| Improvements other than buildings | 33,579,127 | 27,427,887 | 44,583,107 | 43,679,387 | 78,162,234 | 71,107,274 |
| Construction in progress | 39,548 | 238,744 | 391,643 | 4,954,866 | 431,191 | 5,193,610 |
| Machinery and equipment | 4,138,870 | 4,009,275 | 7,002,090 | 6,444,155 | 11,140,960 | 10,453,430 |
| Accumulated depreciation | (17,579,645) | (15,884,637) | (44,970,404) | (43,019,720) | (62,550,049) | (58,904,357) |
| Total | \$ 26,311,525 | \$ 21,732,112 | \$ 38,263,552 | \$ 37,961,132 | \$ 64,575,077 | \$ 59,693,244 |

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

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$2,390,000, which is debt backed by the full faith and credit of the government.

Outstanding Debt

| | Governmental Activities 2018 | Governmental Activities 2017 | Business-Type Activities 2018 | Business-Type Activities 2017 | Total 2018 | Total 2017 |
|-------------------------------|---|------------------------------------|--|-------------------------------------|-------------------|---------------|
| General obligation bonds | \$ 2,390,000 | \$ 2,715,000 | \$ --- | \$ --- | \$ 2,390,000 | \$ 2,715,000 |
| TIF revenue bonds | 1,055,000 | 1,310,000 | --- | --- | 1,055,000 | 1,310,000 |
| Revenue bonds | --- | --- | 12,825,000 | 13,460,000 | 12,825,000 | 13,460,000 |
| Certificates of participation | 6,710,000 | 1,190,000 | 8,830,000 | 9,405,000 | 15,540,000 | 10,595,000 |
| Premium | 128,353 | 82,455 | 169,231 | 194,464 | 297,584 | 276,919 |
| Discount | --- | --- | (179,439) | (191,401) | (179,439) | (191,401) |
| Notes payable | 404,677 | 363,553 | 114,235 | --- | 518,912 | 363,553 |
| Capital leases | --- | --- | 82,154 | 352,049 | 82,154 | 352,049 |
| Total | \$ 10,688,030 | \$ 5,661,008 | \$ 21,841,181 | \$ 23,220,112 | \$ 32,529,211 | \$ 28,881,120 |

The City's total debt increased by \$3,648,091 (12.6 percent) during the current fiscal year. Additional information on the City's long-term debt can be found in Note 5 of this report.

Economic Factors and Next Year's Budgets and Rates

In preparation of this budget, various economic conditions were taken into consideration when projecting revenue estimates for the fiscal year. Overall, economic investment totals and unemployment rates are comparative to state and national averages. Several developments of residential, commercial, and industrial properties continues to trend upward. In 2017, the community witnessed an influx of retail and service oriented business, including a Shoe Sensations, Scooters, Boulders Inn & Suites, Cricket Wireless, and Planet Sub; however lost big box retails such as Payless Shoes & JC Penny's. Projects from the City of Maryville, Northwest Missouri State, and local industry have returned money to the local community through construction labor and materials. Maryville benefits from its location as the county seat with hotel availability to service county-wide laborers for various projects. In 2019, approximately \$300 million in wind turbine construction will bring a significant amount of labor to the area to assist the local economy. While current indicators reflect a positive local climate, our fiscal outlook includes several key short and long-term challenges that may impact the organization and the quality of life in Maryville.

City of Maryville, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2018

The City of Maryville, Nodaway County Economic Development (NCED), Maryville Industrial Development Corporation (MIDC) and local industry have recently partnered to contract a third-party housing study. The study will include a review of demographics, market analysis, demand and existing housing stock identification, note market gaps, future needs, and make short and long-term recommendations. Several private developers are interested in making housing investments, however are awaiting the results of the study. In FY'19, the City of Maryville and NCED must remain progressive in economic development and utilize the housing study results to drive additional workforce housing projects. In addition, the entities must offer responsible yet competitive incentives to attract additional industrial development to the tax base.

In FY 2019, the City will be making efforts to fill retail vacancies, develop commercial infill lots, revitalize local business in the downtown area, and educate citizens on the importance of a "use tax". In addition, a court case in 2012 led to a mandate by the State of Missouri that motor vehicle sales tax must be reauthorized by local voters before the end of 2018 or a municipality must cease in collecting this revenue. The City of Maryville receives approximately \$45,000 in the General Fund each year from this source. If a use tax is approved by voters, the City will continue to collect this out-of-state sales tax on motorized vehicles, boats, and trailers.

In FY 2019, the City of Maryville will enter into a Lease Agreement with Northwest Missouri State University to secure community access to the 137,500 square foot indoor recreation facility. In addition to improvements in community health and quality of life, the facility is anticipated to be a key asset in the future of Maryville's tourism efforts.

The FY 2019 budget includes \$4,000,000 for the Maryville Public Safety Facility Replacement project. This will replace the 1960's era remodeled grocery store currently serving as the Maryville Public Safety Facility. The facility is beyond its useful life and inadequate for today's law enforcement and fire service needs. Design of the facility is ongoing and construction is targeted for spring 2019.

The FY 2019 budget includes a total of \$765,000 for improvements to the sanitary sewer system related to inflow and infiltration (I&I) storm water. Proposed projects include the replacement of the sanitary main adjacent to the wastewater treatment plant and addressing three (3) separate private sanitary sewer lines in the community. Excessive inflow and infiltration of storm water continues to increase the likelihood of system backups and treatment costs.

Included in the FY 2019 budget is \$230,000 for street repairs. The project will continue the improvement of street conditions throughout the community with an asphalt mill and overlay project. In addition, the City will attempt to redesign and hard surface a segment of South Depot Street with Surface Transportation Program (STP) Small Urban funding through the Missouri Department of Transportation (MoDOT).

Requests for Information

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

Basic Financial Statements

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City of Maryville, Missouri

Statement of Net Position

September 30, 2018

| | Primary Government | | |
|---|-------------------------|--------------------------|----------------------|
| | Governmental Activities | Business-Type Activities | Total |
| ASSETS | | | |
| Current Assets: | | | |
| Cash, cash equivalents and investments | \$ 8,258,897 | \$ 4,174,910 | \$ 12,433,807 |
| Receivables, net: | | | |
| Taxes | 663,269 | 158,947 | 822,216 |
| Grants | 501,583 | --- | 501,583 |
| Utilities | --- | 717,044 | 717,044 |
| Accounts | 57,681 | --- | 57,681 |
| Note | --- | 5,955 | 5,955 |
| Other | --- | 35,201 | 35,201 |
| Prepays | 205,586 | 88,484 | 294,070 |
| Inventory | 17,278 | 335,146 | 352,424 |
| Cash - restricted for refundable deposits | --- | 251,573 | 251,573 |
| Cash - restricted for debt service | --- | 1,074,171 | 1,074,171 |
| Total Current Assets | <u>9,704,294</u> | <u>6,841,431</u> | <u>16,545,725</u> |
| Noncurrent Assets: | | | |
| Net pension asset | 1,286,560 | 182,715 | 1,469,275 |
| Capital assets: | | | |
| Nondepreciable | 699,087 | 2,558,819 | 3,257,906 |
| Depreciable, net | 25,612,438 | 35,704,733 | 61,317,171 |
| Total Noncurrent Assets | <u>27,598,085</u> | <u>38,446,267</u> | <u>66,044,352</u> |
| Total Assets | <u>37,302,379</u> | <u>45,287,698</u> | <u>82,590,077</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred outflows-pension related | 396,920 | 146,998 | 543,918 |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Accounts payable and accrued expenses | 1,482,854 | 466,516 | 1,949,370 |
| Refundable deposits - restricted cash | --- | 251,573 | 251,573 |
| Accrued interest payable | 78,314 | 150,453 | 228,767 |
| Compensated absences payable | 183,470 | 75,710 | 259,180 |
| Long-term liabilities due within one year | 950,032 | 1,344,299 | 2,294,331 |
| Total Current Liabilities | <u>2,694,670</u> | <u>2,288,551</u> | <u>4,983,221</u> |
| Noncurrent Liabilities: | | | |
| Unearned revenue | 30,000 | 22,900 | 52,900 |
| Landfill post-closure liability | --- | 1,771,325 | 1,771,325 |
| Long-term liabilities due in more than one year | 9,760,118 | 20,509,955 | 30,270,073 |
| Total Noncurrent Liabilities | <u>9,790,118</u> | <u>22,304,180</u> | <u>32,094,298</u> |
| Total Liabilities | <u>12,484,788</u> | <u>24,592,731</u> | <u>37,077,519</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred inflows-pension related | 567,443 | 146,150 | 713,593 |
| NET POSITION | | | |
| Net investment in capital assets | 20,946,530 | 16,683,057 | 37,629,587 |
| Restricted: | | | |
| Cemetery perpetual care-nonexpendable | 115,431 | --- | 115,431 |
| Debt service | 794,619 | 822,720 | 1,617,339 |
| Tax increment financing project debt service | 289,534 | --- | 289,534 |
| Capital improvements | 137,529 | --- | 137,529 |
| Municipal cemetery | 14,586 | --- | 14,586 |
| Tourism | 259,815 | --- | 259,815 |
| Pension | 1,116,037 | 183,563 | 1,299,600 |
| Other purposes | 10,409 | --- | 10,409 |
| Unrestricted | 962,578 | 3,006,475 | 3,969,053 |
| Total Net Position | <u>\$ 24,647,068</u> | <u>\$ 20,695,815</u> | <u>\$ 45,342,883</u> |

City of Maryville, Missouri
Statement of Activities

For the Year Ended September 30, 2018

| Function/Programs | Program Revenues | | | | Primary Government | | |
|---------------------------------------|----------------------|----------------------|------------------------------------|----------------------------------|-------------------------|--------------------------|-----------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| Primary government: | | | | | | | |
| Governmental Activities: | | | | | | | |
| General government | \$ 2,370,486 | \$ 401,211 | \$ --- | \$ --- | \$ (1,969,275) | \$ --- | \$ (1,969,275) |
| Public safety | 2,252,619 | 186,400 | 15,995 | --- | (2,050,224) | --- | (2,050,224) |
| Public works | 2,695,743 | 455,787 | 1,000,000 | 4,155,768 | 2,915,812 | --- | 2,915,812 |
| Park and recreation | 1,593,320 | 571,713 | --- | --- | (1,021,607) | --- | (1,021,607) |
| Interest and other fiscal charges | 393,486 | --- | --- | --- | (393,486) | --- | (393,486) |
| Total Governmental Activities | 9,305,654 | 1,615,111 | 1,015,995 | 4,155,768 | (2,518,780) | --- | (2,518,780) |
| Business-Type Activities: | | | | | | | |
| Solid waste | 47,555 | 14,576 | --- | --- | --- | (32,979) | (32,979) |
| Water/sewer utility | 5,270,977 | 5,032,206 | 126,139 | --- | --- | (112,632) | (112,632) |
| Mozingo recreation | 2,519,728 | 1,274,156 | --- | --- | --- | (1,245,572) | (1,245,572) |
| Total Business-Type Activities | 7,838,260 | 6,320,938 | 126,139 | --- | --- | (1,391,183) | (1,391,183) |
| Total Primary Government | \$ 17,143,914 | \$ 7,936,049 | \$ 1,142,134 | \$ 4,155,768 | \$ (2,518,780) | \$ (1,391,183) | \$ (3,909,963) |

General Revenues:

| | | | |
|---|----------------------|----------------------|----------------------|
| Taxes: | | | |
| Property Taxes | 1,291,114 | --- | 1,291,114 |
| Sales Taxes | 3,383,106 | 1,181,636 | 4,564,742 |
| Franchise Taxes | 1,058,849 | --- | 1,058,849 |
| Other Taxes | 395,145 | --- | 395,145 |
| PILOT & EATS - TIF | 164,632 | --- | 164,632 |
| Interest | 72,177 | 87,842 | 160,019 |
| Other | 94,426 | 4,090 | 98,516 |
| Transfers | 21,444 | (21,444) | --- |
| Total General Revenues and Transfers | 6,480,893 | 1,252,124 | 7,733,017 |
| Change in Net Position | 3,962,113 | (139,059) | 3,823,054 |
| Net Position - Beginning | 20,684,955 | 20,834,874 | 41,519,829 |
| Net Position - Ending | \$ 24,647,068 | \$ 20,695,815 | \$ 45,342,883 |

City of Maryville, Missouri

Balance Sheet

Governmental Funds

September 30, 2018

| | General Fund | Park and Recreation Fund | Capital Improvements Fund | Non-Major Governmental Funds | Total Governmental Funds |
|--|---------------------|--------------------------------|---------------------------------|------------------------------------|--------------------------------|
| ASSETS | | | | | |
| Cash, cash equivalents and investments | \$ 1,330,660 | \$ 435,980 | \$ 4,963,224 | \$ 1,430,690 | \$ 8,160,554 |
| Receivables, net: | | | | | |
| Taxes | 451,650 | 37,849 | 127,323 | 46,447 | 663,269 |
| Grants | 501,583 | --- | --- | --- | 501,583 |
| Accounts | 22,737 | 1,466 | 30,246 | 3,232 | 57,681 |
| Inventory | 13,366 | --- | --- | --- | 13,366 |
| Total Assets | <u>\$ 2,319,996</u> | <u>\$ 475,295</u> | <u>\$ 5,120,793</u> | <u>\$ 1,480,369</u> | <u>\$ 9,396,453</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts payable and accrued liabilities | \$ 737,399 | \$ 47,896 | \$ 685,229 | \$ 6,384 | \$ 1,476,908 |
| Unearned revenue | --- | --- | 30,000 | --- | 30,000 |
| Total Liabilities | <u>737,399</u> | <u>47,896</u> | <u>715,229</u> | <u>6,384</u> | <u>1,506,908</u> |
| Fund Balances: | | | | | |
| Nonspendable: | | | | | |
| Inventory | 13,366 | --- | --- | --- | 13,366 |
| Endowment | --- | --- | --- | 115,431 | 115,431 |
| Restricted for: | | | | | |
| Debt service | --- | --- | --- | 794,619 | 794,619 |
| Tax increment financing project debt service | --- | --- | --- | 289,534 | 289,534 |
| Capital improvements | --- | --- | 4,405,564 | --- | 4,405,564 |
| Municipal cemetery | --- | --- | --- | 14,586 | 14,586 |
| Tourism | --- | --- | --- | 259,815 | 259,815 |
| Other purposes | 3,531 | 6,878 | --- | --- | 10,409 |
| Committed to: | | | | | |
| Capital, construction and services | 46,315 | --- | --- | --- | 46,315 |
| Park and recreation | --- | 420,521 | --- | --- | 420,521 |
| Assigned: | | | | | |
| Subsequent year's budget appropriation of fund balances | 451,810 | --- | --- | --- | 451,810 |
| Unassigned | 1,067,575 | --- | --- | --- | 1,067,575 |
| Total Fund Balances | <u>1,582,597</u> | <u>427,399</u> | <u>4,405,564</u> | <u>1,473,985</u> | <u>7,889,545</u> |
| Total Liabilities and Fund Balances | <u>\$ 2,319,996</u> | <u>\$ 475,295</u> | <u>\$ 5,120,793</u> | <u>\$ 1,480,369</u> | <u>\$ 9,396,453</u> |

City of Maryville, Missouri

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

September 30, 2018

| | |
|--|----------------------|
| Fund Balances - Total Governmental Funds | \$ 7,889,545 |
| Amounts reported for governmental activities in the statement of net position are different because: | |
| Capital assets net of depreciation are not financial resources and are not reported in governmental funds. | 26,300,992 |
| Long-term debt and compensated absences are not due and payable with current financial resources and are not reported in governmental funds. | |
| General obligation and TIF revenue bonds | (3,445,000) |
| Certificates of participation | (6,710,000) |
| Notes payable | (404,677) |
| Compensated absences | (204,805) |
| Bond premium | (128,353) |
| Accrued interest payable for the current portion of interest due on long-term debt has not been reported in the governmental funds. | (78,314) |
| Other long-term assets are not available to pay for current period expenditures | 202,593 |
| Certain items are not a financial resource and, therefore, are not reported in the governmental funds. These consist of: | |
| Deferred outflows, pension related | 390,056 |
| Net pension asset | 1,279,015 |
| Deferred inflows, pension related | (560,767) |
| Internal service funds are used by management to charge the costs of certain activities, such as insurance and vehicles, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. | <u>116,783</u> |
| Net position of governmental activities | <u>\$ 24,647,068</u> |

City of Maryville, Missouri

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended September 30, 2018

| | General Fund | Park and Recreation Fund | Capital Improvements Fund | Non-Major Governmental Funds | Total Governmental Funds |
|---|---------------------|--------------------------------|---------------------------------|------------------------------------|--------------------------------|
| REVENUES | | | | | |
| Taxes | \$ 4,144,118 | \$ 838,539 | \$ 940,643 | \$ 690,172 | \$ 6,613,472 |
| Licenses and permits | 69,665 | --- | --- | --- | 69,665 |
| Intergovernmental | 2,196,934 | --- | 50,000 | --- | 2,246,934 |
| Charges for services | 56,564 | 571,713 | --- | --- | 628,277 |
| Fines and forfeitures | 135,396 | --- | --- | --- | 135,396 |
| Interest | 21,341 | 10,574 | 21,415 | 18,847 | 72,177 |
| Other | 111,535 | 15,830 | 1,172 | 34,050 | 162,587 |
| Total Revenues | <u>6,735,553</u> | <u>1,436,656</u> | <u>1,013,230</u> | <u>743,069</u> | <u>9,928,508</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | 2,131,497 | --- | --- | --- | 2,131,497 |
| Public safety | 2,155,965 | --- | --- | --- | 2,155,965 |
| Public works | 1,273,534 | --- | --- | --- | 1,273,534 |
| Park and recreation | --- | 1,337,874 | --- | --- | 1,337,874 |
| Tourism | --- | --- | --- | 14,371 | 14,371 |
| Capital outlay | 901,364 | 86,673 | 2,133,706 | --- | 3,121,743 |
| Debt service: | | | | | |
| Principal retirement | 104,566 | --- | 870,000 | 525,000 | 1,499,566 |
| Interest and fiscal charges | 16,451 | --- | 16,664 | 164,010 | 197,125 |
| Issuance costs | --- | --- | 173,597 | 63,314 | 236,911 |
| Total expenditures | <u>6,583,377</u> | <u>1,424,547</u> | <u>3,193,967</u> | <u>766,695</u> | <u>11,968,586</u> |
| Excess of revenues over (under) expenditures | <u>152,176</u> | <u>12,109</u> | <u>(2,180,737)</u> | <u>(23,626)</u> | <u>(2,040,078)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Long-term debt issued | --- | --- | 6,450,000 | --- | 6,450,000 |
| Refunding bonds issued | --- | --- | --- | 2,390,000 | 2,390,000 |
| Premium on debt issued | --- | --- | 28,626 | 119,832 | 148,458 |
| Payment to refunding bond escrow agent | --- | --- | --- | (2,445,000) | (2,445,000) |
| Transfers in | 13,500 | --- | --- | 138,571 | 152,071 |
| Transfers out | (73,368) | (7,293) | (29,173) | (20,793) | (130,627) |
| Insurance recoveries | 8,815 | --- | --- | --- | 8,815 |
| Notes payable issued | 85,691 | --- | --- | --- | 85,691 |
| Total other financing sources (uses) | <u>34,638</u> | <u>(7,293)</u> | <u>6,449,453</u> | <u>182,610</u> | <u>6,659,408</u> |
| Net change in fund balances | 186,814 | 4,816 | 4,268,716 | 158,984 | 4,619,330 |
| Fund balances - Beginning | <u>1,395,783</u> | <u>422,583</u> | <u>136,848</u> | <u>1,315,001</u> | <u>3,270,215</u> |
| Fund balances - Ending | <u>\$ 1,582,597</u> | <u>\$ 427,399</u> | <u>\$ 4,405,564</u> | <u>\$ 1,473,985</u> | <u>\$ 7,889,545</u> |

City of Maryville, Missouri
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities

For the Year Ended September 30, 2018

Net change in fund balances - Total governmental funds \$ 4,619,330

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

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

| | |
|--------------------------|-------------|
| Capital outlay | 2,965,421 |
| Depreciation expense | (1,691,999) |
| Capital assets dedicated | 3,309,000 |

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

| | |
|--|-------------|
| Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. | 3,944,567 |
| Issuance of note payable | (85,691) |
| Issuance of long-term debt | (6,450,000) |
| Issuance of refunding debt | (2,390,000) |
| Issuance of bond premium | (148,458) |
| Amortization of bond premium | 102,560 |

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

| | |
|--|-----------|
| Accrued interest on long-term debt | (62,011) |
| Accrued compensated absences liability | (6,606) |
| Net pension expense | (135,682) |
| Prepays | (2,297) |

Internal service funds are used by management to charge the costs of certain
activities, such as equipment management and insurance, to individual funds.

The net revenues (expenses) of the internal service funds is reported with
governmental activities. (6,021)

Change in net position of governmental activities \$ 3,962,113

City of Maryville, Missouri

Statement of Net Position

Proprietary Funds

September 30, 2018

| | Solid Waste Fund | Water and Sewer Fund | Mozingo Recreation Fund | Totals | Governmental Activities - Internal Service Funds |
|---|-----------------------|-------------------------|-------------------------------|----------------------|---|
| ASSETS | | | | | |
| Current: | | | | | |
| Cash, cash equivalents and investments | \$ 7,917 | \$ 3,894,769 | \$ 272,224 | \$ 4,174,910 | \$ 98,343 |
| Receivables, net: | | | | | |
| Taxes | --- | --- | 158,947 | 158,947 | --- |
| Utilities | 3,414 | 713,630 | --- | 717,044 | --- |
| Other | --- | 12,431 | 22,770 | 35,201 | --- |
| Note | 5,955 | --- | --- | 5,955 | --- |
| Prepaid expense | 152 | 40,239 | 48,093 | 88,484 | 2,993 |
| Inventory | --- | 308,465 | 26,681 | 335,146 | 3,912 |
| Cash - restricted for refundable deposits | --- | 218,279 | 33,294 | 251,573 | --- |
| Cash - restricted for debt service and projects | --- | 1,074,171 | --- | 1,074,171 | --- |
| Total Current Assets | <u>17,438</u> | <u>6,261,984</u> | <u>562,009</u> | <u>6,841,431</u> | <u>105,248</u> |
| Noncurrent: | | | | | |
| Net pension asset | --- | 77,404 | 105,311 | 182,715 | 7,545 |
| Capital assets: | | | | | |
| Nondepreciable | 162,599 | 2,396,220 | --- | 2,558,819 | --- |
| Depreciable, net | 107,644 | 26,725,202 | 8,871,887 | 35,704,733 | 10,533 |
| Total Noncurrent Assets | <u>270,243</u> | <u>29,198,826</u> | <u>8,977,198</u> | <u>38,446,267</u> | <u>18,078</u> |
| Total Assets | <u>287,681</u> | <u>35,460,810</u> | <u>9,539,207</u> | <u>45,287,698</u> | <u>123,326</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Deferred outflows-pension related | --- | 70,572 | 76,426 | 146,998 | 6,864 |
| LIABILITIES | | | | | |
| Current: | | | | | |
| Accounts payable and accrued expenses | 3,414 | 390,321 | 72,781 | 466,516 | 5,946 |
| Refundable deposits - restricted assets | --- | 218,279 | 33,294 | 251,573 | --- |
| Accrued interest payable | --- | 139,586 | 10,867 | 150,453 | --- |
| Compensated absences payable | --- | 32,048 | 43,662 | 75,710 | 785 |
| Current portion of long term debt | --- | 1,120,935 | 223,364 | 1,344,299 | --- |
| Total Current Liabilities | <u>3,414</u> | <u>1,901,169</u> | <u>383,968</u> | <u>2,288,551</u> | <u>6,731</u> |
| Noncurrent: | | | | | |
| Deferred revenue | --- | --- | 22,900 | 22,900 | --- |
| Landfill post-closure liability | 1,771,325 | --- | --- | 1,771,325 | --- |
| Revenue bonds | --- | 11,985,562 | --- | 11,985,562 | --- |
| Certificates of participation | --- | 4,425,341 | 3,983,890 | 8,409,231 | --- |
| Lease obligations payable | --- | --- | 6,449 | 6,449 | --- |
| Notes payable | --- | --- | 95,640 | 95,640 | --- |
| Compensated absences payable | --- | 877 | 12,196 | 13,073 | --- |
| Total Noncurrent Liabilities | <u>1,771,325</u> | <u>16,411,780</u> | <u>4,121,075</u> | <u>22,304,180</u> | <u>---</u> |
| Total Liabilities | <u>1,774,739</u> | <u>18,312,949</u> | <u>4,505,043</u> | <u>24,592,731</u> | <u>6,731</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Deferred inflows-pension related | --- | 68,483 | 77,667 | 146,150 | 6,676 |
| NET POSITION | | | | | |
| Net investment in capital assets | 270,243 | 11,841,035 | 4,571,779 | 16,683,057 | 10,533 |
| Restricted for debt service | --- | 822,720 | --- | 822,720 | --- |
| Restricted for pension | --- | 79,493 | 104,070 | 183,563 | 7,733 |
| Unrestricted | (1,757,301) | 4,406,702 | 357,074 | 3,006,475 | 98,517 |
| Total net position | <u>\$ (1,487,058)</u> | <u>\$ 17,149,950</u> | <u>\$ 5,032,923</u> | <u>\$ 20,695,815</u> | <u>\$ 116,783</u> |

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City of Maryville, Missouri

Statement of Revenues, Expenses, and Changes in Net Position

Proprietary Funds

For the Year Ended September 30, 2018

| | Solid Waste Fund | Water and Sewer Fund | Mozingo Recreation Fund | Totals | Governmental Activities - Internal Service Funds |
|--|-----------------------|-------------------------|-------------------------------|----------------------|---|
| Operating Revenues: | | | | | |
| Charges for services | \$ 13,376 | \$ 5,013,531 | \$ 1,235,082 | \$ 6,261,989 | \$ 1,125,594 |
| Miscellaneous | 1,200 | 18,675 | 39,074 | 58,949 | 24,040 |
| Total Operating Revenues | <u>14,576</u> | <u>5,032,206</u> | <u>1,274,156</u> | <u>6,320,938</u> | <u>1,149,634</u> |
| Operating Expenses: | | | | | |
| Personnel | --- | 754,165 | 1,042,623 | 1,796,788 | 69,063 |
| Contractual services | 17,182 | 1,795,592 | 491,233 | 2,304,007 | 1,020,286 |
| Commodities | 220 | 194,706 | 388,376 | 583,302 | 63,297 |
| Depreciation | 30,153 | 1,840,619 | 434,824 | 2,305,596 | 3,009 |
| Total Operating Expenses | <u>47,555</u> | <u>4,585,082</u> | <u>2,357,056</u> | <u>6,989,693</u> | <u>1,155,655</u> |
| Operating income (loss) | <u>(32,979)</u> | <u>447,124</u> | <u>(1,082,900)</u> | <u>(668,755)</u> | <u>(6,021)</u> |
| Nonoperating Revenues (Expenses): | | | | | |
| Taxes | --- | --- | 1,181,636 | 1,181,636 | --- |
| Intergovernmental and contributions | --- | 39,432 | 86,707 | 126,139 | --- |
| Interest income | 406 | 78,384 | 9,052 | 87,842 | --- |
| Insurance recovery | --- | 4,090 | --- | 4,090 | --- |
| Loss on sale of capital asset | --- | --- | (32,631) | (32,631) | --- |
| Interest expenses and fees | --- | (685,895) | (130,041) | (815,936) | --- |
| Total Nonoperating Revenues (Expenses) | <u>406</u> | <u>(563,989)</u> | <u>1,114,723</u> | <u>551,140</u> | <u>---</u> |
| Income (loss) before transfers | <u>(32,573)</u> | <u>(116,865)</u> | <u>31,823</u> | <u>(117,615)</u> | <u>(6,021)</u> |
| Transfers in | 15,023 | --- | --- | 15,023 | --- |
| Transfers out | --- | --- | (36,467) | (36,467) | --- |
| Change in net position | <u>(17,550)</u> | <u>(116,865)</u> | <u>(4,644)</u> | <u>(139,059)</u> | <u>(6,021)</u> |
| Total Net Position - Beginning | <u>(1,469,508)</u> | <u>17,266,815</u> | <u>5,037,567</u> | <u>20,834,874</u> | <u>122,804</u> |
| Total Net Position - Ending | <u>\$ (1,487,058)</u> | <u>\$ 17,149,950</u> | <u>\$ 5,032,923</u> | <u>\$ 20,695,815</u> | <u>\$ 116,783</u> |

City of Maryville, Missouri

Statement of Cash Flows

Proprietary Funds

For the Year Ended September 30, 2018

| | Solid Waste Fund | Water and Sewer Fund | Mozingo Recreation Fund | Totals | Governmental Activities - Internal Service Funds |
|--|---------------------|-------------------------|-------------------------------|---------------------|---|
| Cash Flows from Operating Activities: | | | | | |
| Cash received from customers | \$ 15,104 | \$ 5,004,046 | \$ 1,245,462 | \$ 6,264,612 | \$ 1,150,473 |
| Cash paid to suppliers | (44,527) | (2,082,051) | (1,259,233) | (3,385,811) | (1,082,317) |
| Cash paid to employees | --- | (723,376) | (1,019,773) | (1,743,149) | (65,743) |
| Other operating | --- | 39,591 | 48,412 | 88,003 | --- |
| Net Cash Provided by (used in) Operating Activities | <u>(29,423)</u> | <u>2,238,210</u> | <u>(985,132)</u> | <u>1,223,655</u> | <u>2,413</u> |
| Cash Flows from Non-Capital Financing Activities: | | | | | |
| Sales tax | --- | --- | 1,174,157 | 1,174,157 | --- |
| Intergovernmental and contributions | --- | 39,432 | --- | 39,432 | --- |
| Transfers to other funds | 15,023 | --- | (36,467) | (21,444) | --- |
| Net Cash Provided by Non-Capital Financing Activities | <u>15,023</u> | <u>39,432</u> | <u>1,137,690</u> | <u>1,192,145</u> | <u>---</u> |
| Cash Flows from Capital and Related Financing Activities: | | | | | |
| Purchase of capital assets | --- | (1,054,777) | (2,205,352) | (3,260,129) | --- |
| Proceeds from sale of fixed assets | --- | --- | 3,350 | 3,350 | --- |
| Insurance recovery | --- | 4,090 | --- | 4,090 | --- |
| Proceeds from capital lease obligation | --- | --- | 14,668 | 14,668 | --- |
| Proceeds from note payable | --- | --- | 114,235 | 114,235 | --- |
| Principal payments received on note receivable | 13,993 | --- | --- | 13,993 | --- |
| Principal payments on capital debt | --- | (1,296,113) | (198,450) | (1,494,563) | --- |
| Interest received on note receivable | 406 | --- | --- | 406 | --- |
| Interest paid on capital debt | --- | (700,616) | (135,189) | (835,805) | --- |
| Net Cash Provided by (used in) Capital and Related Financing Activities | <u>14,399</u> | <u>(3,047,416)</u> | <u>(2,406,738)</u> | <u>(5,439,755)</u> | <u>---</u> |
| Cash Flows from Investing Activities: | | | | | |
| Income received on investments | --- | 78,384 | 9,052 | 87,436 | --- |
| Net Cash Provided by Investing Activities | <u>---</u> | <u>78,384</u> | <u>9,052</u> | <u>87,436</u> | <u>---</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (1) | (691,390) | (2,245,128) | (2,936,519) | 2,413 |
| Cash and Cash Equivalents, beginning of year | <u>7,918</u> | <u>4,879,609</u> | <u>2,550,646</u> | <u>7,438,173</u> | <u>95,930</u> |
| Cash and Cash Equivalents, end of year | <u>\$ 7,917</u> | <u>\$ 4,188,219</u> | <u>\$ 305,518</u> | <u>\$ 4,501,654</u> | <u>\$ 98,343</u> |

(continued)

City of Maryville, Missouri

Statement of Cash Flows (Continued)

Proprietary Funds

For the Year Ended September 30, 2018

| | Solid Waste Fund | Water and Sewer Fund | Mozingo Recreation Fund | Totals | Governmental Activities - Internal Service Funds |
|---|---------------------|-------------------------|-------------------------------|---------------------|---|
| Reconciliation of Operating Income (Loss) to Net Cash | | | | | |
| Provided by (used in) Operating Activities: | | | | | |
| Operating income (loss) | \$ (32,979) | \$ 447,124 | \$ (1,082,900) | \$ (668,755) | \$ (6,021) |
| Adjustments to reconcile operating income (loss) | | | | | |
| to net cash provided by (used in) operating activities: | | | | | |
| Depreciation | 30,153 | 1,840,619 | 434,824 | 2,305,596 | 3,009 |
| Landfill post-closure expense | (26,445) | --- | --- | (26,445) | --- |
| Change in assets and liabilities: | | | | | |
| Receivables | 528 | 11,431 | 9,338 | 21,297 | 839 |
| Prepaid expenses | (152) | (7,841) | (2,530) | (10,523) | 86 |
| Inventory | --- | (26,232) | 3,612 | (22,620) | (671) |
| Accounts payable and accrued expenses | (528) | (67,020) | (383,382) | (450,930) | 1,851 |
| Deferred revenue | --- | --- | 10,380 | 10,380 | --- |
| Compensated absences | --- | 3,695 | 2,379 | 6,074 | 32 |
| Net pension asset | --- | (78,715) | (91,406) | (170,121) | (7,681) |
| Deferred outflows | --- | 47,450 | 45,654 | 93,104 | 5,344 |
| Deferred inflows | --- | 58,359 | 66,223 | 124,582 | 5,625 |
| Refundable deposits | --- | 9,340 | 2,676 | 12,016 | --- |
| Net Cash provided by (used in) Operating Activities | <u>\$ (29,423)</u> | <u>\$ 2,238,210</u> | <u>\$ (985,132)</u> | <u>\$ 1,223,655</u> | <u>\$ 2,413</u> |
| Reconciliation of cash and cash equivalents to | | | | | |
| specific assets on the statement of net assets: | | | | | |
| Cash, cash equivalents and investments | \$ 7,917 | \$ 3,894,769 | \$ 272,224 | \$ 4,174,910 | \$ 98,343 |
| Restricted cash and cash equivalents | --- | 1,292,450 | 33,294 | 1,325,744 | --- |
| Less: Investments in certificates of deposit | --- | (999,000) | --- | (999,000) | --- |
| Cash and cash equivalents, end of year | <u>\$ 7,917</u> | <u>\$ 4,188,219</u> | <u>\$ 305,518</u> | <u>\$ 4,501,654</u> | <u>\$ 98,343</u> |
| Supplemental disclosure of cash flow information: | | | | | |
| Noncash investing, capital and financing activities: | | | | | |
| Change in capital asset acquisitions through | | | | | |
| accounts payable | \$ --- | \$ 179,598 | \$ 523,241 | \$ 702,839 | \$ --- |
| Contributed capital | --- | --- | 86,707 | 86,707 | --- |
| Amortization of bond premiums and discounts, net | | | | | |
| as a component of interest expense | \$ --- | \$ 8,610 | \$ 4,661 | \$ 13,271 | \$ --- |
| Change in landfill post-closure valuation liability | <u>\$ (26,445)</u> | <u>\$ ---</u> | <u>\$ ---</u> | <u>\$ (26,445)</u> | <u>\$ ---</u> |
| Change in net pension liability | <u>\$ -</u> | <u>\$ (78,715)</u> | <u>\$ (91,406)</u> | <u>\$ (170,121)</u> | <u>\$ (7,681)</u> |

City of Maryville, Missouri

Statement of Fiduciary Net Position

Fiduciary Fund

September 30, 2018

| | <u>Agency Fund</u> |
|--|------------------------|
| ASSETS | |
| Cash, cash equivalents and investments | \$ 899 |
| Total Assets | <u>\$ 899</u> |
| | |
| LIABILITIES | |
| Court bonds payable | 899 |
| Total Liabilities | <u>899</u> |
| | |
| NET POSITION | |
| Net Position | <u>\$ ---</u> |

City of Maryville, Missouri

Notes to Basic Financial Statements

1. Summary of Significant Accounting Policies:

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

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

Financial Reporting Entity

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

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

Government-Wide and Fund Financial Statements:

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

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

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

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

City of Maryville, Missouri

Notes to Basic Financial Statements

1. Summary of Significant Accounting Policies, continued

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

Fund Accounting:

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

Governmental Fund Types:

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

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

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

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

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

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

The **Transient Guest Tax Fund** is a Special Revenue Fund used to account for the enhancement of tourism and economic development efforts in the community. The Transient Guest Tax Fund is financed by a five percent tax or fee charged on all sleeping rooms paid by the guests of hotels, motels, and licensed lodging facilities. The revenues will be utilized to assist with the construction and operation of the Northwest Missouri State University Multipurpose Complex and for the creation and efforts of a Tourism Committee. The City plans to execute a lease agreement to secure community access to the facility.

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

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

City of Maryville, Missouri

Notes to Basic Financial Statements

1. Summary of Significant Accounting Policies, continued

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

Proprietary Fund Types

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

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

Additionally, the City reports the following fund types:

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

Fiduciary Fund Types

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

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

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and trust fund financial statements. Agency funds are also recorded on the accrual basis of accounting but do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

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

Property taxes, sales and franchise taxes, reduced by an appropriate allowance for uncollectible taxes, associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the City receives cash.

City of Maryville, Missouri

Notes to Basic Financial Statements

1. Summary of Significant Accounting Policies, continued

Property taxes are recognized as a receivable at the time they become an enforceable legal claim. Property taxes are levied each year on all taxable real and personal property in the City. The City's property tax is levied each October on the assessed value as of the prior January 1. On January 1, a lien attached to all property for which taxes are unpaid.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Cash and Investments

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

Cash and Cash Equivalents

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

Restricted Assets

Cash in the Water/Sewer Fund is restricted for repayment of refundable water deposits, debt service and related debt construction project funds. Cash in the Mozingo Recreation Fund is restricted for repayment of refundable deposits for cabin reservations.

Donor-restricted endowments for the City are reported for the Oak Hill Cemetery Perpetual Care Trust Fund. The amount reported as restricted-nonspendable is \$115,431, and the restricted expendable amount is \$14,586. Endowment statutes are detailed in RSMo. Section 402.134. Amounts spent are determined by the City Council.

Receivables

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

City of Maryville, Missouri

Notes to Basic Financial Statements

1. Summary of Significant Accounting Policies, continued

Inventory

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

Capital Assets

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

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

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

Interfund Transactions

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

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

Compensated Absences

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

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

City of Maryville, Missouri

Notes to Basic Financial Statements

1. Summary of Significant Accounting Policies, continued

For proprietary fund types and the Government-wide statements, these accumulations are recorded as expenses and liabilities of the appropriate fund in the fiscal year earned. For governmental fund types, the amount of accumulated unpaid vacation which is payable from available resources is recorded as a liability of the respective fund only if they have matured, for example, as a result of employee retirements and resignations.

Estimates

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

Fund Balance Policies

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

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

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

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

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

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

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

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

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

Net Position

Net position represents the difference between assets, deferred outflows, liabilities, and deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through enabling

City of Maryville, Missouri

Notes to Basic Financial Statements

1. Summary of Significant Accounting Policies, continued

legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using a method which approximates the effective interest method.

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

Deferred Outflows/Inflows of Resources

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

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

Pensions

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

2. Deposits and Investments

Authorized Investments

Missouri State Statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. Agencies, obligations of state and local government entities, certificates of deposit, repurchase agreements and money market mutual funds. As of September 30, 2018, the City's funds were in depository accounts, certificates of deposit, and money market mutual funds.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer maturity of an investment means the greater the sensitivity of its fair value

City of Maryville, Missouri

Notes to Basic Financial Statements

2. Deposits and Investments, continued

to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits investment maturities to 24 months. As of September 30, 2018, the City has \$5,273,080 invested in money market mutual funds in which funds may be withdrawn at any time, and \$1,474,572 in certificates of deposit.

Credit Risk

Generally, credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City does not have a policy regarding credit risk. As of September 30, 2018, the City's investments in money market mutual funds were rated Aaa and AAA by Moody's Investor Services and Standard and Poor's, respectively.

Concentration of Credit Risk

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

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City's investment policy requires all investments and deposits which exceed the financial institution's insurance limits shall be secured by eligible collateral. The fair value of the collateral must be equal to or greater than 110% of the value of the total deposits less the amount of insurance coverage. Collateral must be held by an independent third party. As of September 30, 2018 the City was not exposed to custodial credit risk for deposits. The City's investment in money market mutual funds are not subject to custodial credit risk.

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

Fair Value Measurements

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

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

As of September 30, 2018, the City has fair value measurements including certificates of deposits of \$1,474,572 and money market funds of \$5,273,080, both of which are not subject to fair value level classification.

City of Maryville, Missouri

Notes to Basic Financial Statements

3. Receivables

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

| <u>Governmental Funds:</u> | General Fund | Park and Recreation Fund | Capital Improvements Fund | Transient Guest Tax Fund | Debt Service Fund | Total |
|------------------------------------|-------------------|--------------------------|---------------------------|--------------------------|-------------------|-------------------|
| Taxes | | | | | | |
| Property taxes | \$ 7,231 | \$ 8,279 | \$ --- | \$ --- | \$ 2,124 | \$ 17,634 |
| Sales taxes | 262,005 | 31,833 | 127,323 | --- | 31,833 | 452,994 |
| Franchise taxes | 184,411 | --- | --- | --- | --- | 184,411 |
| Transient guest taxes | --- | --- | --- | 13,132 | --- | 13,132 |
| Gross taxes | 453,647 | 40,112 | 127,323 | 13,132 | 33,957 | 668,171 |
| Less: Allowance for Uncollectibles | (1,997) | (2,263) | --- | --- | (642) | (4,902) |
| Total Taxes Receivables | <u>\$ 451,650</u> | <u>\$ 37,849</u> | <u>\$ 127,323</u> | <u>\$ 13,132</u> | <u>\$ 33,315</u> | <u>\$ 663,269</u> |

The City has \$67,165 of court receivables that also have an offsetting allowance recorded.

| <u>Enterprise Funds:</u> | Solid Waste Fund | Water and Sewer Fund | Total |
|------------------------------------|------------------|----------------------|-------------------|
| Utility/Other Receivable | \$ 3,414 | \$ 717,477 | \$ 720,891 |
| Less: Allowance for Uncollectibles | --- | (3,847) | (3,847) |
| Total Receivable | <u>\$ 3,414</u> | <u>\$ 713,630</u> | <u>\$ 717,044</u> |

4. Capital Assets

| <u>Governmental Activities</u> | Beginning Balance | Increases | Decreases | Ending Balances |
|--|-------------------|------------|-----------|-----------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 466,757 | \$ 192,782 | \$ --- | \$ 659,539 |
| Construction in progress | 238,744 | 38,148 | 237,344 | 39,548 |
| Total capital assets not being depreciated | 705,501 | 230,930 | 237,344 | 699,087 |
| Capital assets, being depreciated: | | | | |
| Buildings | 5,474,086 | --- | --- | 5,474,086 |
| Improvements other than buildings | 27,427,887 | 6,151,240 | --- | 33,579,127 |
| Machinery and equipment | 4,009,275 | 129,595 | --- | 4,138,870 |
| Total capital assets being depreciated | 36,911,248 | 6,280,835 | --- | 43,192,083 |

City of Maryville, Missouri

Notes to Basic Financial Statements

4. Capital Assets, continued

| | | | | |
|---|----------------------|---------------------|-------------------|----------------------|
| Less accumulated depreciated for: | | | | |
| Buildings | 3,479,287 | 244,385 | --- | 3,723,672 |
| Improvements other than buildings | 9,444,344 | 1,205,872 | --- | 10,650,216 |
| Machinery and equipment | 2,961,006 | 244,751 | --- | 3,205,757 |
| Total accumulated depreciation | <u>15,884,637</u> | <u>1,695,008</u> | --- | <u>17,579,645</u> |
| Total capital assets being depreciated, net | <u>21,026,611</u> | <u>4,585,827</u> | --- | <u>25,612,438</u> |
| Governmental activities capital assets, net | <u>\$ 21,732,112</u> | <u>\$ 4,816,757</u> | <u>\$ 237,344</u> | <u>\$ 26,311,525</u> |

| Business Activities | Beginning Balance | Increases | Decreases | Ending Balances |
|--|----------------------|---------------------|---------------------|----------------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 1,907,872 | \$ --- | \$ --- | \$ 1,907,872 |
| Intangible asset | 240,304 | 19,000 | --- | 259,304 |
| Construction in progress | 4,954,866 | 59,616 | 4,622,839 | 391,643 |
| Total capital assets not being depreciated | <u>7,103,042</u> | <u>78,616</u> | <u>4,622,839</u> | <u>2,558,819</u> |
| Capital assets, being depreciated: | | | | |
| Buildings | 23,754,268 | 5,708,240 | 372,568 | 29,089,940 |
| Improvements other than buildings | 43,679,387 | 915,108 | 11,388 | 44,583,107 |
| Machinery and equipment | 6,444,155 | 564,872 | 6,937 | 7,002,090 |
| Total capital assets being depreciated | <u>73,877,810</u> | <u>7,188,220</u> | <u>390,893</u> | <u>80,675,137</u> |
| Less accumulated depreciated for: | | | | |
| Buildings | 8,090,886 | 1,033,695 | 336,587 | 8,787,994 |
| Improvements other than buildings | 30,541,803 | 804,412 | 11,388 | 31,334,827 |
| Machinery and equipment | 4,387,031 | 467,489 | 6,937 | 4,847,583 |
| Total accumulated depreciation | <u>43,019,720</u> | <u>2,305,596</u> | <u>354,912</u> | <u>44,970,404</u> |
| Total capital assets being depreciated, net | <u>30,858,090</u> | <u>4,882,624</u> | <u>35,981</u> | <u>35,704,733</u> |
| Business type activities capital assets, net | <u>\$ 37,961,132</u> | <u>\$ 4,961,240</u> | <u>\$ 4,658,820</u> | <u>\$ 38,263,552</u> |

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

| Governmental Activities: | | Business-type Activities: | |
|--|---------------------|---|---------------------|
| General government | \$ 179,284 | Solid Waste | \$ 30,153 |
| Public safety | 98,329 | Water and Sewer | 1,840,619 |
| Public works | 1,077,826 | Mozingo Recreation | <u>434,824</u> |
| Parks and recreation | 336,560 | | |
| Internal service | <u>3,009</u> | Total depreciation expense, business-type activities | <u>\$ 2,305,596</u> |
| Total depreciation expense, governmental activities | <u>\$ 1,695,008</u> | | |

City of Maryville, Missouri

Notes to Basic Financial Statements

5. Long-Term Debt

The following is a summary of changes in long-term debt for the year ended September 30, 2018:

| | Balance September 30, 2017 | Additions | Retirements | Balance September 30, 2018 | Due Within One Year |
|----------------------------------|----------------------------------|---------------------|---------------------|----------------------------------|------------------------|
| Governmental Activities: | | | | | |
| General obligation bonds | \$ 2,715,000 | \$ 2,390,000 | \$ 2,715,000 | \$ 2,390,000 | \$ 265,000 |
| TIF revenue bonds | 1,310,000 | --- | 255,000 | 1,055,000 | 260,000 |
| Certificates of participation | 1,190,000 | 6,450,000 | 930,000 | 6,710,000 | 370,000 |
| Premium | 82,455 | 148,458 | 102,560 | 128,353 | --- |
| Notes payable | 363,553 | 85,691 | 44,567 | 404,677 | 55,032 |
| Compensated absences | 198,952 | 171,597 | 164,959 | 205,590 | 183,470 |
| | <u>\$ 5,859,960</u> | <u>\$ 9,245,746</u> | <u>\$ 4,212,086</u> | <u>\$ 10,893,620</u> | <u>\$ 1,133,502</u> |
| Business-Type Activities: | | | | | |
| Revenue bonds | \$ 13,460,000 | \$ --- | \$ 635,000 | \$ 12,825,000 | \$ 660,000 |
| Certificates of participation | 9,405,000 | --- | 575,000 | 8,830,000 | 590,000 |
| Premium | 194,464 | --- | 25,233 | 169,231 | --- |
| Discount | (191,401) | --- | (11,962) | (179,439) | --- |
| Capital leases | 352,049 | 14,668 | 284,563 | 82,154 | 75,704 |
| Notes payable | --- | 114,235 | --- | 114,235 | 18,595 |
| Landfill post-closure liability | 1,797,770 | --- | 26,445 | 1,771,325 | --- |
| Compensated absences | 82,709 | 54,195 | 48,121 | 88,783 | 75,710 |
| | <u>\$ 25,100,591</u> | <u>\$ 183,098</u> | <u>\$ 1,582,400</u> | <u>\$ 23,701,289</u> | <u>\$ 1,420,009</u> |

Internal Service Funds serve primarily the governmental funds, the long-term liabilities of which are included as part of the governmental activities. For the year ended September 30, 2018, \$785 of accrued compensated absences is included in the above amount. For the governmental activities, the General Fund and the Park and Recreation Fund generally liquidate accrued compensated absences.

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

Governmental Activities:

| | |
|--|-------------------------------|
| General Obligation Bonds: | <u>Amount Outstanding</u> |
| On February 15, 2018, the City issued \$2,390,000 of General Obligation Refunding Bonds, Series 2018 with interest rates ranging from 2.00% to 5.00%, maturing 2029 to current refund the City's outstanding General Obligation Park Improvement and Refunding Bonds, Series 2009 in the principal amount of \$2,445,000. The principal amount of the Bonds was allocated as follows: \$735,000 to the Series 2001 Bonds and \$1,655,000 to the Series 2009 Bonds. | \$ 2,390,000 |

City of Maryville, Missouri

Notes to Basic Financial Statements

5. Long-Term Debt, continued:

Tax Increment Revenue Bonds:

\$1,745,000 of Tax Increment Refunding Revenue Bonds (Maryville Town Center Project I), Series 2015 were issued by the City on September 30, 2015 to redeem all of the City's outstanding Tax Increment Revenue Bonds (Maryville Town Center Project I), Series 2005. The 2015 bonds bear interest at a fixed rate of 3.75% and have a stated maturity date of March 1, 2026. Interest on the 2015 bonds is payable in semi-annual installments due on March 1 and September 1 in each year. There are no scheduled principal installments on the 2015 bonds. The 2015 bonds are payable from payments in lieu of taxes and economic activity tax revenue ("TIF Revenues"). Principal is payable on each March 1, in the amount of the TIF Revenues available after transfers are made to pay bond trustee fees, enforcement expenses of the City, interest due on the bonds and any reserve fund deficiency. The principal remaining on the 2015 bonds is \$1,310,000 payable through March 1, 2026, or such earlier date on which the principal is fully paid. For fiscal year 2018, the total principal and interest paid on the 2015 bonds was \$299,344 and the total of TIF Revenues received by the City was \$303,203. 1,055,000

Certificates of Participation:

\$6,450,000 in Certificates of Participation issued May 30, 2018, due in varying semi-annual installments through September 1, 2038, with interest rates ranging from 2.50% to 3.50% due March 1 and September 1 of each year. 6,450,000

\$320,000 in Certificates of Participation issued January 19, 2017, due in varying annual installments through March 1, 2022, with interest at 3% due March 1 and September 1 of each year. 260,000

Note Payable:

In October 2015, the City entered into an agreement and note for \$48,687 to install energy efficient LED lighting in various City buildings. The note calls for monthly payments of \$1,158 with interest rates ranging from 6.16% to 9.17% until March 2020. 20,079

In August 2015, the City entered into an agreement and contract for \$313,464 with the State Transportation Assistance Revolving Fund to provide matching funds for the MoDOT airport runway improvements grant. The note calls for annual payments of \$38,324 at 1.976% until July 2026. 281,011

In September 2017, the City entered into an agreement and contract for \$103,587 with the State Transportation Assistance Revolving Fund to provide matching funds for the MoDOT airport apron grant. The note calls for annual payments of \$11,672 at 2.22% until January 2028. 103,587

Compensated absences 205,590

Total governmental activities \$ 10,765,267

City of Maryville, Missouri

Notes to Basic Financial Statements

5. Long-Term Debt, continued:

Business-Type Activities:

Revenue Bonds:

On November 5, 2013, the City issued \$13,750,000 of its Combined Waterworks and Sewerage System Revenue Bonds, Series 2013. Proceeds from the Bonds will be used to construct a new mechanical wastewater treatment plant. Bonds are due in annual installments through January 1, 2033, with interest at 0.50% to 4.25% due January 1 and July 1 of each year. 12,825,000

Certificates of Participation:

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

On January 19, 2017, the City issued \$7,260,000 in Certificates of Participation, due in varying annual installments starting March 2018 through 2037, with interest at 3.00% to 3.50% due March 1 and September 1 starting September 1, 2017. 6,805,000

Capital Leases:

In July 2013, the City entered into an agreement to re-finance the acquisition and replacement of its membranes modules for all three (3) trains at the water treatment plant and one in the Capex building. The lease calls for monthly payments of \$23,704 at 1.49% until December 2018. The aggregate cost of the membranes is \$2,178,369, less accumulated depreciation of \$1,415,940 results in a carrying value of \$762,429. 70,935

In December 2017, the City entered into an agreement to finance the acquisition of cleaning equipment at the Mozingo Conference Center. The agreement calls for monthly payments of \$450 at 7% until December 2020. The aggregate cost of the equipment is \$14,668, less accumulated depreciation of \$1,467 results in a carrying value of \$13,201. 11,219

Note Payable:

In April 2018, the City entered into an agreement and note for \$105,000 to finance the acquisition of furniture, fixtures & equipment at the Mozingo conference center. The note calls for monthly payments of \$990 with an interest rate of 2.5% until September 2028. 105,000

In April 2018, the City entered into an agreement and note for \$9,235 to finance the acquisition of furniture, fixtures & equipment at the Mozingo conference center. The note calls for monthly payments of \$200 with a zero interest rate until August 2022. The note was paid off in October 2018. 9,235

City of Maryville, Missouri

Notes to Basic Financial Statements

5. Long-Term Debt, continued:

| | |
|--------------------------------|----------------------|
| Compensated Absences | <u>88,783</u> |
| Total business-type activities | <u>\$ 21,940,172</u> |

In January 2018, the City issued General Obligation Refunding bonds amounting to \$2,390,000 to refund \$2,445,000 of outstanding Series 2009 bonds (the old debt). The net proceeds were used to purchase securities for deposit in an irrevocable trust with an escrow agent to provide amounts to call payment on the old debt at March 1, 2018. The City decreased its aggregated debt service payments by \$233,507 over 11 years using an effective interest rate of 2.16% which resulted in an economic gain (difference between the present values of the old and new debt service payments) of \$205,741.

Annual debt service requirements for long-term liabilities at September 30, 2018 are as follows:

Governmental Activities:

| Year Ending Sept. 30, | Certificates of Participation | | General Obligation Bonds | |
|--------------------------|-------------------------------|---------------------|--------------------------|-------------------|
| | Principal | Interest | Principal | Interest |
| 2019 | \$ 370,000 | \$ 255,670 | \$ 265,000 | \$ 84,794 |
| 2020 | 435,000 | 194,300 | 295,000 | 70,794 |
| 2021 | 450,000 | 181,250 | 310,000 | 55,669 |
| 2022 | 465,000 | 167,675 | 345,000 | 39,294 |
| 2023 | 405,000 | 154,775 | 140,000 | 27,169 |
| 2024 - 2028 | 2,210,000 | 590,425 | 845,000 | 75,303 |
| 2029 - 2033 | 1,090,000 | 327,813 | 190,000 | 2,375 |
| 2034 - 2038 | 1,285,000 | 136,975 | --- | --- |
| | <u>\$ 6,710,000</u> | <u>\$ 2,008,883</u> | <u>\$ 2,390,000</u> | <u>\$ 355,398</u> |

| Year Ending Sept. 30, | Notes Payable | |
|--------------------------|-------------------|------------------|
| | Principal | Interest |
| 2019 | \$ 55,032 | \$ 8,864 |
| 2020 | 50,120 | 7,164 |
| 2021 | 43,865 | 6,130 |
| 2022 | 44,761 | 5,235 |
| 2023 | 45,670 | 4,326 |
| 2024 - 2028 | 165,229 | 8,101 |
| | <u>\$ 404,677</u> | <u>\$ 39,820</u> |

City of Maryville, Missouri

Notes to Basic Financial Statements

5. Long-Term Debt, continued:

Business-Type Activities:

| Year Ending Sept. 30, | Capital Lease | | Note Payable | |
|--------------------------|------------------|-----------------|-------------------|------------------|
| | Principal | Interest | Principal | Interest |
| 2019 | \$ 75,704 | \$ 810 | \$ 9,360 | \$ 2,520 |
| 2020 | 5,114 | 289 | 9,596 | 2,284 |
| 2021 | 1,336 | 16 | 9,839 | 2,041 |
| 2022 | --- | --- | 10,088 | 1,792 |
| 2023 | --- | --- | 10,343 | 1,537 |
| 2024 - 2028 | --- | --- | 55,774 | 3,626 |
| | <u>\$ 82,154</u> | <u>\$ 1,115</u> | <u>\$ 105,000</u> | <u>\$ 13,800</u> |

| Year Ending Sept. 30, | Certificates of Participation | | Revenue Bonds | |
|--------------------------|-------------------------------|---------------------|----------------------|---------------------|
| | Principal | Interest | Principal | Interest |
| 2019 | \$ 590,000 | \$ 322,034 | \$ 660,000 | \$ 444,280 |
| 2020 | 610,000 | 301,403 | 670,000 | 429,808 |
| 2021 | 625,000 | 279,774 | 695,000 | 412,726 |
| 2022 | 645,000 | 257,129 | 710,000 | 393,400 |
| 2023 | 615,000 | 234,499 | 735,000 | 372,258 |
| 2024 - 2028 | 3,045,000 | 817,038 | 4,040,000 | 1,472,034 |
| 2029 - 2033 | 1,670,000 | 326,826 | 5,315,000 | 599,333 |
| 2034 - 2038 | 1,030,000 | 73,500 | --- | --- |
| | <u>\$ 8,830,000</u> | <u>\$ 2,612,203</u> | <u>\$ 12,825,000</u> | <u>\$ 4,123,839</u> |

Debt Covenants

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

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

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

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

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

City of Maryville, Missouri

Notes to Basic Financial Statements

5. Long-Term Debt, continued:

On September 30, 2018, the City has the following account balances relating to its combined waterworks and sewerage system revenue bonds:

| | |
|-----------------------------------|-------------------|
| 2013 Debt service account | \$ 607,720 |
| Operation and maintenance account | <u>215,000</u> |
| Total | <u>\$ 822,720</u> |

6. Interfund Transfers

Interfund transfers for the year were as follows:

| | <u>Transfers In</u> | <u>Transfers Out</u> |
|------------------------------------|---------------------|----------------------|
| Governmental activities: | | |
| Major Governmental Funds: | | |
| General | \$ 13,500 | \$ 73,368 |
| Park and Recreation | - | 7,293 |
| Capital Improvements | - | 29,173 |
| Nonmajor Governmental Funds: | | |
| TIF | 138,571 | - |
| Debt Service | - | 7,293 |
| Cemetery Perpetual Care Trust Fund | - | 13,500 |
| Total governmental activities | <u>\$ 152,071</u> | <u>\$ 130,627</u> |
| Business-type activities: | | |
| Solid Waste | \$ 15,023 | - |
| Mozingo Recreation | - | 36,467 |
| Total business-type activities | <u>\$ 15,023</u> | <u>\$ 36,467</u> |
| Total interfund transfers | <u>\$ 167,094</u> | <u>\$ 167,094</u> |

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

The General Fund was reimbursed for administrative expenses by the Enterprise Funds in the amount of \$235,305. This reimbursement is recorded as an operating expense by the Enterprise Funds and as revenue by the General Fund.

City of Maryville, Missouri

Notes to Basic Financial Statements

7. Operating Leases

The City has various leases for golf carts, an excavator and loader, dated October 2017 through December 2017. These leases do not meet the criteria for capitalization and, accordingly, accounts for these leases as operating leases. The rent expense for the year ended September 30, 2018 was \$90,712. The future minimum lease payments required for the leases are as follows:

| Year Ending Sept. 30, | Golf Carts | Excavator | Loader | Total |
|--------------------------|-------------------|------------------|------------------|-------------------|
| 2019 | \$ 58,320 | \$ 21,350 | \$ 25,028 | \$ 104,698 |
| 2020 | 58,320 | 21,350 | 25,028 | 104,698 |
| 2021 | 58,320 | 3,558 | 10,428 | 72,306 |
| 2022 | 4,860 | --- | --- | 4,860 |
| Total | <u>\$ 179,820</u> | <u>\$ 46,258</u> | <u>\$ 60,484</u> | <u>\$ 286,562</u> |

8. Risk Management

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

The Association is funded by its member cities. Member assessments are collected in advance and are calculated based on members' payroll data multiplied by a pool assessment factor. The assessment factor is based on the loss experience of the entire pool. A city's total assessment may be adjusted through debit or credit based on claims experience or the property value to payroll ratio. Coverage obtained by the City through the Association includes commercial property, boiler, & machinery; comprehensive liability for bodily injury, property damage, personal & advertising injury, errors & omissions, & auto; crime; worker's compensation; auto physical damage; & employment practices. Per-occurrence coverage limits provided by the Association, which include the Association's self-insured retention limits combined with excess insurance contracts limits, vary by coverage type. Losses from individual claims in excess of these limits remain the responsibility of the respective cities. Management of the City is not aware of any deficit situations in the Association that would require an accrual of a liability as of September 30, 2018.

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

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

9. Post-Closure Care Cost

State and federal laws and regulations require the City to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The City closed the landfill effective October 28, 2008. The \$1,771,325 reported as landfill

City of Maryville, Missouri

Notes to Basic Financial Statements

9. Post-Closure Care Cost, continued:

post-closure liability at September 30, 2018, represents the City's Financial Assurance Instrument (FAI) in its Contract of Obligation with Missouri Department of Natural Resources, and is based on the cost to perform all post-closure care. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The City is required by state and federal laws and regulations to provide a financial assurance instrument in such amount and form as prescribed by the State of Missouri Department of Natural Resources (DNR). The City is in compliance with these requirements, and at September 30, 2018, the City was under a "Contract of Obligation" totaling \$1,771,325. The "Contract of Obligation" authorizes DNR to collect \$1,771,325 from any funds due the City from the Missouri Department of Revenue and the State Treasurer to compensate for State corrective procedures if the City does not properly close and monitor the landfill. After the sixth anniversary of the beginning of the post-closure care period, DNR will annually allow the City to decrease the FAI in an amount equal to the estimated post-closure care cost for the previous twelve months, provided the FAI is sufficient to cover the costs for the remaining post-closure care period plus five years.

10. Deferred Compensation Plan

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

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

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

11. Missouri LAGERS Defined Benefit Pension Plan

General Information about the Pension Plan

Plan Description

The City defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

City of Maryville, Missouri

Notes to Basic Financial Statements

11. Missouri LAGERS Defined Benefit Pension Plan, continued

Benefits Provided

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

| | <u>2018 Valuation</u> |
|-----------------------|-------------------------------|
| Benefit Multiplier: | 1.75% for life |
| Final Average Salary: | 3 years |
| Member Contributions: | Noncontributory for employees |

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:

| | |
|--|------------|
| Inactive employees or beneficiaries currently receiving benefits | 38 |
| Inactive employees entitled to but not yet receiving benefits | 27 |
| Active employees | <u>72</u> |
| | <u>137</u> |

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. Employer contribution rates are 11.2% (General), 3.9% (Police) and 0.9% (Fire) of annual covered payroll.

Net Pension Liability (Asset)

The employer's net pension liability (asset) was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability (asset) 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

City of Maryville, Missouri

Notes to Basic Financial Statements

11. Missouri LAGERS Defined Benefit Pension Plan, continued:

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.

The actuarial assumptions used in the February 28, 2018 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

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

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|--------------------|--------------------------|---|
| Equity | 43.00% | 5.16% |
| 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.

City of Maryville, Missouri

Notes to Basic Financial Statements

11. Missouri LAGERS Defined Benefit Pension Plan, continued:

Changes in the Net Pension Liability (Asset)

| | Increase (Decrease) | | |
|---|-----------------------------------|---------------------------------------|---|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (Asset) (a) - (b) |
| Balances at 6/30/2017 | \$ 14,285,528 | \$ 14,990,405 | \$ (704,877) |
| Changes for the year: | | | |
| Service Cost | 324,147 | - | 324,147 |
| Interest | 1,031,214 | - | 1,031,214 |
| Difference between expected and actual experience | (86,362) | - | (86,362) |
| Contributions - employer | - | 301,439 | (301,439) |
| Net investment income | - | 1,829,942 | (1,829,942) |
| Benefit payments, including refunds | (450,121) | (450,121) | - |
| Administrative expense | - | (11,270) | 11,270 |
| Other changes | - | (86,714) | 86,714 |
| Net changes | <u>818,878</u> | <u>1,583,276</u> | <u>(764,398)</u> |
| Balances at 6/30/2018 | <u>\$ 15,104,406</u> | <u>\$ 16,573,681</u> | <u>\$ (1,469,275)</u> |

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

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

| | 1% Decrease | Current Single Discount Rate Assumption | 1% Increase |
|-------------------------------|---------------|--|----------------|
| | 6.25% | 7.25% | 8.25% |
| Total Pension Liability | \$ 17,537,608 | \$ 15,104,406 | \$ 13,125,858 |
| Plan Fiduciary Net Position | 16,573,681 | 16,573,681 | 16,573,681 |
| Net Pension Liability/(Asset) | \$ 963,927 | \$ (1,469,275) | \$ (3,447,823) |

City of Maryville, Missouri

Notes to Basic Financial Statements

11. Missouri LAGERS Defined Benefit Pension Plan, continued:

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

For the year ended September 30, 2018 the employer recognized pension expense of \$490,931. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources | Net Outflows |
|---|---|--|---------------------|
| Differences in experience | \$ 168,132 | \$ (240,518) | \$ (72,386) |
| Changes in assumptions | 295,973 | --- | 295,973 |
| Excess (deficit) investment returns | --- | (473,075) | (473,075) |
| Contributions subsequent to the measurement date* | 79,813 | --- | 79,813 |
| Total | <u>\$ 543,918</u> | <u>\$ (713,593)</u> | <u>\$ (169,675)</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 (Asset) for the year ending September 30, 2019.

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

| | |
|-------------------|---------------------|
| For the Plan Year | |
| Ending June 30: | |
| 2019 | \$ 115,606 |
| 2020 | (23,954) |
| 2021 | (222,019) |
| 2022 | (121,158) |
| 2023 | 12,980 |
| Thereafter | <u>(10,943)</u> |
| Total | <u>\$ (249,488)</u> |

Payable to the Pension Plan

At September 30, 2018, the City had no payable for outstanding amount of contributions to the pension plan required for the year ended September 30, 2018.

12. Commitments and Contingent Liabilities

As of September 30, 2018, the City was obligated on construction contracts and commitments as follows:

| <u>Project Description</u> | <u>Fund</u> | <u>Commitment</u> | <u>Type of Commitment</u> |
|-----------------------------|---------------------|-------------------|---------------------------|
| S. Main design | General | 24,590 | Engineering |
| Community Housing Study | General | 21,725 | Consulting |
| Knacktive Project | Transient Guest Tax | 10,000 | Consulting |
| Peach Creek improvements | CIP | 90,000 | Construction |
| Street Maintenance Facility | CIP | 24,706 | Construction |

City of Maryville, Missouri

Notes to Basic Financial Statements

12. Commitments and Contingent Liabilities, continued

| | | | |
|-----------------------------|-------------|---------|---------------|
| Public Safety Facility | CIP | 216,573 | Architectural |
| Sewer conversion project | Water/Sewer | 14,690 | Engineering |
| Water meter replacement | Water/Sewer | 102,142 | Construction |
| S. Market waterline project | Water/Sewer | 28,294 | Engineering |

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

13. Fund Equity Deficit

At September 30, 2018, the Solid Waste (Enterprise) Fund had a deficit fund equity balance of \$1,487,058. The environmental liability determined by an engineering estimate is the primary cause of the deficit in the Solid Waste Fund.

14. Ground Lease

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

15. Conduit Debt Obligations and Tax Abatements

The City issued Industrial Revenue Bonds during 2015 to provide financial assistance to the private sector entity, Kawasaki Motors Manufacturing Corp., U.S.A. (the Company), for the purpose of acquiring, constructing, improving and equipping an approximately 100,800 square foot expansion of an existing manufacturing facility, deemed to be in the public interest. The Series 2015 Bonds are secured by the property financed and are payable solely out of the rents, revenues and receipts derived by the City from the Project and the Lease. Upon repayment of the Series 2015 Bonds, ownership of the acquired facility and equipment transfers to the private-sector entity served by the bond issuance. Neither the City, the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the Series 2015 Bonds are not reported as liabilities in the accompanying basic financial statements. The Series 2015 Bonds are structured to pay the principal balance at maturity, December 1, 2025. At September 30, 2018, the total authorized amount is \$25,500,000 and the amount of outstanding Series 2015 Bonds was \$25,500,000.

The City entered into a Performance Agreement with the Company, pursuant to which the parties agreed that for tax years 2015 to and including 2024 the Project will be exempt from property taxes by reason of the City's ownership thereof. For real and personal property constituting the Project in tax years 2015 to and including 2025, the Company agreed to make PILOT payments as set forth in the Performance Agreement. The Company agreed to create a minimum number of new jobs, to maintain a stated level of jobs, to pay a stated average wage level for the new jobs, and to maintain operations at the site, all as described in the Performance Agreement. In the event certain of such agreements are not met, the PILOT payment due from the Company may be adjusted.

City of Maryville, Missouri

Notes to Basic Financial Statements

15. Conduit Debt Obligations and Tax Abatements, continued

For fiscal year September 30, 2018 the City's tax revenue was diverted through the abatement provided under the Bonds totaling the estimated amounts set forth in the table below.

| | <u>Real Property</u> | <u>Personal Property</u> |
|---|----------------------|--------------------------|
| Gross Dollar amount of taxes abated | \$ 28,326 | \$ 28,824 |
| Value of Tax Revenues Foregone taking into account the PILOT payment | \$ 3,356 | \$ 14,412 |

16. Subsequent Events

On October 22, 2018, the City issued Taxable Industrial Revenue Bonds (Kawasaki Motors Manufacturing Corp., U.S.A. Project), Series 2018, in the maximum principal amount of \$26,000,000 (the "Series 2018 Bonds"), to fund the second phase of the Company's industrial project, consisting solely of personal property (the "Phase II Project"). The Series 2018 Bonds are not an indebtedness or general obligation of the City. With respect to the Series 2018 Bonds, the Company entered into a separate lease agreement with the City agreeing to pay rental payments sufficient to pay principal and interest on the Series 2018 Bonds. The Company also entered into a separate performance agreement with the City providing that for years 2019 to and including 2028, the Phase II Project will be exempt from personal property taxes by reason of the City's ownership thereof, subject to stated PILOT payments to be made by the Company. For fiscal year ended September 30, 2018, no tax revenue was diverted through the abatement provided under the Series 2018 Bonds because no personal property taxes for the Phase II Project were due in such year. As of the issuance date, the maximum authorized amount of Series 2018 Bonds is \$26,000,000 and the amount outstanding was \$8,358,402.

In October 2018, the City entered into a license agreement with Northwest Missouri State University designed to serve as an overarching agreement outlining the City's use of the Hughes Fieldhouse. Per the agreement an annual installment fee of \$150,000 will be due for a period of 23 years until the combined total is \$3,450,000. Per the November 8, 2016 ballot question approved by voters, revenues from a 5% transient guest tax will be utilized to assist with the construction and operation of the Hughes Fieldhouse at Northwest Missouri State University.

In November 2018, the City approved a new lease for a track loader for a total amount due of \$36,698 with monthly installments of \$1,019, including all scheduled parts and up to 600 hours of use per year, starting November 2018 for 36 months. The final purchase price for the equipment at the expiration of the agreement is \$23,000.

In November 2018, the City entered into a lease agreement for cardio equipment for the Parks and Recreation Community Center with annual installments of \$8,631, starting November 2018 for 3 years. The final purchase price for the equipment at the expiration of the agreement is \$2,586.

17. New Pronouncements

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

- GASB Statement No. 83, *Certain Retirement Obligations*. This establishes accounting and financial reporting standards for legal obligations to retire certain capital assets, such as removing sewage treatment plants. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

City of Maryville, Missouri

Notes to Basic Financial Statements

17. New Pronouncements, continued:

- GASB Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.
- GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

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Required Supplementary Information

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City of Maryville, Missouri

Required Supplementary Information Budgetary Comparison Schedule General Fund

For the Year Ended September 30, 2018

| | Budget | | Actual | Final to Actual Positive (Negative) |
|--|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | \$ 4,138,650 | \$ 4,138,650 | \$ 4,144,118 | \$ 5,468 |
| Licenses and permits | 70,230 | 70,230 | 69,665 | (565) |
| Intergovernmental revenues | 2,368,888 | 2,368,888 | 2,196,934 | (171,954) |
| Charges for services | 49,735 | 49,735 | 56,564 | 6,829 |
| Fines and forfeitures | 213,845 | 213,845 | 135,396 | (78,449) |
| Interest | 10,000 | 10,000 | 21,341 | 11,341 |
| Other | 142,200 | 142,200 | 111,535 | (30,665) |
| Total Revenues | <u>6,993,548</u> | <u>6,993,548</u> | <u>6,735,553</u> | <u>(257,995)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 2,286,968 | 2,286,968 | 2,131,497 | 155,471 |
| Public safety | 2,288,699 | 2,288,699 | 2,155,965 | 132,734 |
| Public works | 1,505,508 | 1,505,508 | 1,273,534 | 231,974 |
| Capital outlay | 1,129,931 | 1,129,931 | 901,364 | 228,567 |
| Debt service: | | | | |
| Principal retirement | 104,497 | 104,497 | 104,566 | (69) |
| Interest and fiscal charges | 16,923 | 16,923 | 16,451 | 472 |
| Total expenditures | <u>7,332,526</u> | <u>7,332,526</u> | <u>6,583,377</u> | <u>749,149</u> |
| Excess of revenues over (under) expenditures | <u>(338,978)</u> | <u>(338,978)</u> | <u>152,176</u> | <u>491,154</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 15,000 | 15,000 | 13,500 | (1,500) |
| Transfers out | (76,985) | (76,985) | (73,368) | 3,617 |
| Insurance recoveries | --- | --- | 8,815 | 8,815 |
| Notes payable issued | 108,640 | 108,640 | 85,691 | (22,949) |
| Total other financing sources (uses) | <u>46,655</u> | <u>46,655</u> | <u>34,638</u> | <u>(12,017)</u> |
| Net change in fund balances | <u>\$ (292,323)</u> | <u>\$ (292,323)</u> | <u>186,814</u> | <u>\$ 479,137</u> |
| Fund balances - Beginning | | | <u>1,395,783</u> | |
| Fund balances - Ending | | | <u>\$ 1,582,597</u> | |

City of Maryville, Missouri

**Required Supplementary Information
Budgetary Comparison Schedule
Park and Recreation Fund
For the Year Ended September 30, 2018**

| | Budget | | Actual | Final to Actual Positive (Negative) |
|--|--------------------|--------------------|-------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | \$ 834,100 | \$ 834,100 | \$ 838,539 | \$ 4,439 |
| Charges for services | 598,184 | 598,184 | 571,713 | (26,471) |
| Interest | 750 | 750 | 10,574 | 9,824 |
| Other | 6,700 | 6,700 | 15,830 | 9,130 |
| Total Revenues | <u>1,439,734</u> | <u>1,439,734</u> | <u>1,436,656</u> | <u>(3,078)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Park and recreation | 1,378,553 | 1,378,553 | 1,337,874 | 40,679 |
| Capital outlay | 110,000 | 110,000 | 86,673 | 23,327 |
| Total expenditures | <u>1,488,553</u> | <u>1,488,553</u> | <u>1,424,547</u> | <u>64,006</u> |
| Excess of revenues over (under) expenditures | <u>(48,819)</u> | <u>(48,819)</u> | <u>12,109</u> | <u>60,928</u> |
| OTHER FINANCING USES | | | | |
| Transfers out | <u>(7,585)</u> | <u>(7,585)</u> | <u>(7,293)</u> | <u>292</u> |
| Net change in fund balances | <u>\$ (56,404)</u> | <u>\$ (56,404)</u> | <u>4,816</u> | <u>\$ 61,220</u> |
| Fund balances - Beginning | | | <u>422,583</u> | |
| Fund balances - Ending | | | <u>\$ 427,399</u> | |

City of Maryville, Missouri

Required Supplementary Information Schedule of Changes in Net Pension Liability (Asset) and Related Ratios For the Years Ended September 30

| | 2015 | 2016 | 2017 | 2018 |
|--|-----------------------|---------------------|---------------------|-----------------------|
| Total Pension Liability | | | | |
| Service Cost | \$ 300,444 | \$ 306,906 | \$ 309,402 | \$ 324,147 |
| Interest on the Total Pension Liability | 823,571 | 874,371 | 966,255 | 1,031,214 |
| Difference between expected and actual experience | (84,357) | (25,573) | 82,862 | (86,362) |
| Changes of Assumptions | --- | 528,404 | --- | --- |
| Benefit Payments | (334,868) | (349,669) | (488,729) | (450,121) |
| Net Change in Total Pension Liability | 704,790 | 1,334,439 | 869,790 | 818,878 |
| Total Pension Liability Beginning | 11,376,509 | 12,081,299 | 13,415,738 | 14,285,528 |
| Total Pension Liability Ending (a) | <u>\$12,081,299</u> | <u>\$13,415,738</u> | <u>\$14,285,528</u> | <u>\$15,104,406</u> |
| Plan Fiduciary Net Position | | | | |
| Contributions-employer | \$ 347,325 | \$ 328,056 | \$ 291,186 | \$ 301,439 |
| Pension Plan Net Investment income | 253,794 | (9,897) | 1,648,078 | 1,829,942 |
| Benefit Payments | (334,868) | (349,669) | (488,729) | (450,121) |
| Pension Plan Administrative expense | (11,372) | (10,180) | (10,620) | (11,270) |
| Other | 197,366 | 22,044 | 90,000 | (86,714) |
| Net Change in Plan Fiduciary Net Position | 452,245 | (19,646) | 1,529,915 | 1,583,276 |
| Plan Fiduciary Net Position Beginning | 13,027,891 | 13,480,136 | 13,460,490 | 14,990,405 |
| Plan Fiduciary Net Position Ending (b) | <u>\$13,480,136</u> | <u>\$13,460,490</u> | <u>\$14,990,405</u> | <u>\$16,573,681</u> |
| Employer Net Pension Liability (Asset) (a-b) | <u>\$ (1,398,837)</u> | <u>\$ (44,752)</u> | <u>\$ (704,877)</u> | <u>\$ (1,469,275)</u> |
| Plan Fiduciary Net Position as a percentage of the Total Pension Liability | 111.58% | 100.33% | 104.93% | 109.73% |
| Covered Payroll (for February 28/29 Actuarial Valuation) | \$ 3,157,873 | \$ 3,113,667 | \$ 3,198,354 | \$ 3,416,451 |
| Employer's Net Pension Liability (Asset) as a percentage of covered payroll | -44.30% | -1.44% | -22.04% | -43.01% |

Notes to schedule:

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

City of Maryville, Missouri

Required Supplementary Information Schedule of Pension Contributions Last Ten Fiscal Years

| | Fiscal Year | | | | | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| Actuarially determined contribution | \$161,139 | \$158,120 | \$267,764 | \$313,729 | \$357,008 | \$356,008 | \$345,466 | \$334,950 | \$281,882 | \$304,396 |
| Contributions in relation to the actuarially determined contribution | 161,139 | 158,120 | 190,162 | 308,810 | 357,008 | 355,620 | 345,466 | 334,950 | 281,882 | 304,396 |
| Contribution deficiency (excess) | \$0 | \$0 | \$77,602 | \$4,919 | \$0 | \$388 | \$0 | \$0 | \$0 | \$0 |
| Covered payroll | \$2,987,615 | \$3,115,190 | \$3,094,761 | \$2,900,862 | \$3,111,651 | \$3,085,234 | \$3,266,142 | \$3,393,104 | \$3,339,423 | \$3,436,556 |
| Contributions as a percentage of covered payroll | 5.39% | 5.08% | 6.14% | 10.65% | 11.47% | 11.53% | 10.58% | 9.87% | 8.44% | 8.86% |

Notes to schedule:

Valuation date:

Actuarially determined contribution rates are calculated as of February 28/29 prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

| | |
|-------------------------------|--|
| Actuarial cost method | Entry age normal and modified terminal funding |
| Amortization method | Level percentage of payroll, closed |
| Remaining amortization period | Multiple bases from 12 to 23 years |
| Asset valuation method | 5-year smoothed market; 20% corridor |
| Inflation | 3.25% wage inflation; 2.50% price inflation |
| Salary increases | 3.25% to 6.55% including wage inflation |
| Investment rate of return | 7.25%, net of investment expenses |
| Retirement age | Experience-based table of rates that are specific to the type of eligibility condition |

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

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

Other information

There were no benefit changes during the year.

City of Maryville, Missouri

Note to Required Supplementary Information

Budgetary Data

A legally adopted annual budget is prepared for governmental and proprietary fund types, except permanent funds, by the City Manager and presented to Council each year prior to the beginning of the fiscal year. This budget is officially adopted by the City Council each September through the passage of an ordinance, and all budget amendments are approved by the City Council. All budgets are presented on the modified accrual basis of accounting. Accordingly, the budget schedules present actual expenditures in accordance with accounting principles generally accepted in the United States of America. The City's legal level of budgetary control is at the fund level. Any expenditure that will cause a fund to exceed the total fund budget must be approved by the City Council through a budget amendment ordinance. There was one budget amendment made to the original adopted budget. The amendment was made to increase expenditures in the Debt Retirement Fund, the TIF Fund, the Conference Center Construction Fund, and the Mozingo Recreation Fund by a total of \$3,423,104, and transfers out in the Mozingo Recreation Fund increased by \$70,576. A review of the budget is done annually as part of the budget preparation process and any revisions needed are presented to the City Council for supplemental appropriation. Unencumbered appropriations lapse at year-end.

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Other Supplementary Information

Combining and Individual Fund Financial
Statements and Schedules

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City of Maryville, Missouri

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual Capital Improvements Fund

For the Year Ended September 30, 2018

| | Budget | | Actual | Final to Actual Positive (Negative) |
|---|--------------------|--------------------|---------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | \$ 940,000 | \$ 940,000 | \$ 940,643 | \$ 643 |
| Intergovernmental revenues | --- | --- | 50,000 | 50,000 |
| Interest | 500 | 500 | 21,415 | 20,915 |
| Other | --- | --- | 1,172 | 1,172 |
| Total Revenues | <u>940,500</u> | <u>940,500</u> | <u>1,013,230</u> | <u>72,730</u> |
| EXPENDITURES | | | | |
| Capital Outlay | 6,001,300 | 6,001,300 | 2,133,706 | 3,867,594 |
| Debt service: | | | | |
| Principal retirement | 870,000 | 870,000 | 870,000 | --- |
| Interest and fiscal charges | 15,600 | 15,600 | 16,664 | (1,064) |
| Issuance costs | 153,680 | 153,680 | 173,597 | (19,917) |
| Total expenditures | <u>7,040,580</u> | <u>7,040,580</u> | <u>3,193,967</u> | <u>3,846,613</u> |
| Excess of revenues over (under) expenditures | <u>(6,100,080)</u> | <u>(6,100,080)</u> | <u>(2,180,737)</u> | <u>3,919,343</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Long-term debt issued | 6,065,000 | 6,065,000 | 6,450,000 | (385,000) |
| Premium on debt issued | 88,680 | 88,680 | 28,626 | 60,054 |
| Transfers out | (30,340) | (30,340) | (29,173) | 1,167 |
| Total other financing sources (uses) | <u>6,123,340</u> | <u>6,123,340</u> | <u>6,449,453</u> | <u>(323,779)</u> |
| Net change in fund balances | <u>\$ 23,260</u> | <u>\$ 23,260</u> | 4,268,716 | <u>\$ 4,245,456</u> |
| Fund balances - Beginning | | | <u>136,848</u> | |
| Fund balances - Ending | | | <u>\$ 4,405,564</u> | |

City of Maryville, Missouri Combining Balance Sheet

Non-Major Governmental Funds

September 30, 2018

| | Debt Service | Special Revenue | | Permanent | Total |
|--|----------------------------|--------------------------------|-------------------|---|------------------------------------|
| | Debt Retirement Fund | Transient Guest Tax Fund | TIF Fund | Oak Hill Cemetery Perpetual Care Trust Fund | Non-Major Governmental Funds |
| ASSETS | | | | | |
| Cash, cash equivalents and investments | \$ 761,242 | \$ 249,897 | \$ 289,534 | \$ 130,017 | \$ 1,430,690 |
| Receivables, net: | | | | | |
| Taxes | 33,315 | 13,132 | --- | --- | 46,447 |
| Accounts | 62 | 3,170 | --- | --- | 3,232 |
| Total Assets | <u>\$ 794,619</u> | <u>\$ 266,199</u> | <u>\$ 289,534</u> | <u>\$ 130,017</u> | <u>\$ 1,480,369</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts payable and accrued liabilities | \$ --- | \$ 6,384 | \$ --- | \$ --- | \$ 6,384 |
| Total Liabilities | <u>---</u> | <u>6,384</u> | <u>---</u> | <u>---</u> | <u>6,384</u> |
| Fund Balances: | | | | | |
| Nonspendable: | | | | | |
| Endowment | --- | --- | --- | 115,431 | 115,431 |
| Restricted for: | | | | | |
| Debt service | 794,619 | --- | 289,534 | --- | 1,084,153 |
| Tourism | --- | 259,815 | --- | --- | 259,815 |
| Municipal cemetery | --- | --- | --- | 14,586 | 14,586 |
| Total Fund Balances | <u>794,619</u> | <u>259,815</u> | <u>289,534</u> | <u>130,017</u> | <u>1,473,985</u> |
| Total Liabilities and Fund Balances | <u>\$ 794,619</u> | <u>\$ 266,199</u> | <u>\$ 289,534</u> | <u>\$ 130,017</u> | <u>\$ 1,480,369</u> |

City of Maryville, Missouri

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Non-Major Governmental Funds

For the Year Ended September 30, 2018

| | Debt Service | Special Revenue | | Permanent | Total |
|---|----------------------------|--------------------------------|-------------------|---|------------------------------------|
| | Debt Retirement Fund | Transient Guest Tax Fund | TIF Fund | Oak Hill Cemetery Perpetual Care Trust Fund | Non-Major Governmental Funds |
| REVENUES | | | | | |
| Taxes | \$ 388,004 | \$ 137,536 | \$ 164,632 | \$ --- | \$ 690,172 |
| Interest | 12,891 | 2,871 | 1,473 | 1,612 | 18,847 |
| Other | 293 | 33,757 | --- | --- | 34,050 |
| Total Revenues | <u>401,188</u> | <u>174,164</u> | <u>166,105</u> | <u>1,612</u> | <u>743,069</u> |
| EXPENDITURES | | | | | |
| Tourism | --- | 14,371 | --- | --- | 14,371 |
| Debt service: | | | | | |
| Principal retirement | 270,000 | --- | 255,000 | --- | 525,000 |
| Interest and fiscal charges | 116,592 | --- | 47,418 | --- | 164,010 |
| Bond issue costs | 63,314 | --- | --- | --- | 63,314 |
| Total expenditures | <u>449,906</u> | <u>14,371</u> | <u>302,418</u> | <u>---</u> | <u>766,695</u> |
| Excess of revenues over (under) expenditures | <u>(48,718)</u> | <u>159,793</u> | <u>(136,313)</u> | <u>1,612</u> | <u>(23,626)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Refunding bonds issued | 2,390,000 | --- | --- | --- | 2,390,000 |
| Premium on bonds issued | 119,832 | --- | --- | --- | 119,832 |
| Payment to refunding bond escrow agent | (2,445,000) | --- | --- | --- | (2,445,000) |
| Transfers in | --- | --- | 138,571 | --- | 138,571 |
| Transfers out | (7,293) | --- | --- | (13,500) | (20,793) |
| Total other financing sources (uses) | <u>57,539</u> | <u>---</u> | <u>138,571</u> | <u>(13,500)</u> | <u>182,610</u> |
| Net change in fund balances | 8,821 | 159,793 | 2,258 | (11,888) | 158,984 |
| Fund balances - Beginning | <u>785,798</u> | <u>100,022</u> | <u>287,276</u> | <u>141,905</u> | <u>1,315,001</u> |
| Fund balances - Ending | <u>\$ 794,619</u> | <u>\$ 259,815</u> | <u>\$ 289,534</u> | <u>\$ 130,017</u> | <u>\$ 1,473,985</u> |

City of Maryville, Missouri

**Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Debt Service - Debt Retirement Fund
For the Year Ended September 30, 2018**

| | Budget | | Actual | Final to Actual Positive (Negative) |
|--|--------------------|--------------------|-------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | \$ 384,964 | \$ 384,964 | \$ 388,004 | \$ 3,040 |
| Interest | 4,100 | 4,100 | 12,891 | 8,791 |
| Other | --- | --- | 293 | 293 |
| Total Revenues | <u>389,064</u> | <u>389,064</u> | <u>401,188</u> | <u>12,124</u> |
| EXPENDITURES | | | | |
| Debt service: | | | | |
| Principal retirement | 270,000 | 270,000 | 270,000 | --- |
| Interest and fiscal charges | 122,227 | 122,227 | 116,592 | 5,635 |
| Issuance costs | --- | 64,832 | 63,314 | 1,518 |
| Total expenditures | <u>392,227</u> | <u>457,059</u> | <u>449,906</u> | <u>7,153</u> |
| Excess of revenues over (under) expenditures | <u>(3,163)</u> | <u>(67,995)</u> | <u>(48,718)</u> | <u>19,277</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Refunding bonds issued | --- | 2,390,000 | 2,390,000 | --- |
| Premium on bonds issued | --- | 119,832 | 119,832 | --- |
| Payment to refunding bond escrow agent | --- | (2,445,000) | (2,445,000) | --- |
| Transfers out | (7,585) | (7,585) | (7,293) | 292 |
| Total other financing sources (uses) | <u>(7,585)</u> | <u>57,247</u> | <u>57,539</u> | <u>292</u> |
| Net change in fund balances | <u>\$ (10,748)</u> | <u>\$ (10,748)</u> | <u>\$ 8,821</u> | <u>\$ 19,569</u> |
| Fund balances - Beginning | | | <u>785,798</u> | |
| Fund balances - Ending | | | <u>\$ 794,619</u> | |

City of Maryville, Missouri

**Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Transient Guest Tax - Special Revenue Fund
For the Year Ended September 30, 2018**

| | Budget | | Actual | Final to Actual Positive (Negative) |
|--|-----------------|-----------------|-------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | \$ 160,000 | \$ 160,000 | \$ 137,536 | \$ (22,464) |
| Interest | 50 | 50 | 2,871 | 2,821 |
| Other | 35,750 | 35,750 | 33,757 | (1,993) |
| Total Revenues | <u>195,800</u> | <u>195,800</u> | <u>174,164</u> | <u>(21,636)</u> |
| EXPENDITURES | | | | |
| Tourism | <u>278,916</u> | <u>278,916</u> | <u>14,371</u> | <u>264,545</u> |
| Total expenditures | <u>278,916</u> | <u>278,916</u> | <u>14,371</u> | <u>264,545</u> |
| Excess of revenues over (under) expenditures | <u>(83,116)</u> | <u>(83,116)</u> | <u>159,793</u> | <u>242,909</u> |
| Net change in fund balances | <u>(83,116)</u> | <u>(83,116)</u> | <u>159,793</u> | <u>\$ 242,909</u> |
| Fund balances - Beginning | | | <u>100,022</u> | |
| Fund balances - Ending | | | <u>\$ 259,815</u> | |

City of Maryville, Missouri

**Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
TIF Project Special Revenue Fund**

For the Year Ended September 30, 2018

| | Budget | | Actual | Final to Actual Positive (Negative) |
|---------------------------------------|------------------|------------------|-------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | \$ 164,685 | \$ 164,685 | \$ 164,632 | \$ (53) |
| Interest | 375 | 375 | 1,473 | 1,098 |
| Total Revenues | <u>165,060</u> | <u>165,060</u> | <u>166,105</u> | <u>1,045</u> |
| EXPENDITURES | | | | |
| Capital Outlay: | | | | |
| General government | 420 | 420 | --- | 420 |
| Debt Service: | | | | |
| Principal retirement | 225,000 | 255,000 | 255,000 | --- |
| Interest and fiscal charges | 50,605 | 50,605 | 47,418 | 3,187 |
| Total expenditures | <u>276,025</u> | <u>306,025</u> | <u>302,418</u> | <u>3,607</u> |
| Excess of revenues under expenditures | <u>(110,965)</u> | <u>(140,965)</u> | <u>(136,313)</u> | <u>4,652</u> |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | 144,120 | 144,120 | 138,571 | (5,549) |
| Total other financing sources | <u>144,120</u> | <u>144,120</u> | <u>138,571</u> | <u>(5,549)</u> |
| Net change in fund balances | <u>\$ 33,155</u> | <u>\$ 3,155</u> | 2,258 | <u>\$ (897)</u> |
| Fund balances - Beginning | | | <u>287,276</u> | |
| Fund balances - Ending | | | <u>\$ 289,534</u> | |

City of Maryville, Missouri

Combining Statement of Net Position

Internal Service Funds

September 30, 2018

| | Central Garage Fund | Group Insurance Fund | Totals |
|---|---------------------------|----------------------------|-------------------|
| ASSETS | | | |
| Current: | | | |
| Cash and investments | \$ 6,349 | \$ 91,994 | \$ 98,343 |
| Prepaid expense | 2,993 | --- | 2,993 |
| Inventory | 3,912 | --- | 3,912 |
| Total Current Assets | <u>13,254</u> | <u>91,994</u> | <u>105,248</u> |
| Noncurrent: | | | |
| Net pension asset | 7,545 | --- | 7,545 |
| Capital assets, net of accumulated depreciation | 10,533 | --- | 10,533 |
| Total Noncurrent Assets | <u>18,078</u> | <u>---</u> | <u>18,078</u> |
| Total Assets | <u>31,332</u> | <u>91,994</u> | <u>123,326</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred outflows-pension related | <u>6,864</u> | <u>---</u> | <u>6,864</u> |
| LIABILITIES | | | |
| Current: | | | |
| Accounts payable and accrued liabilities | 5,692 | 254 | 5,946 |
| Compensated absences payable | 785 | --- | 785 |
| Total Current Liabilities | <u>6,477</u> | <u>254</u> | <u>6,731</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred inflows-pension related | <u>6,676</u> | <u>---</u> | <u>6,676</u> |
| NET POSITION | | | |
| Net investment in capital assets | 10,533 | --- | 10,533 |
| Restricted for pension | 7,733 | --- | 7,733 |
| Unrestricted | 6,777 | 91,740 | 98,517 |
| Total net position | <u>\$ 25,043</u> | <u>\$ 91,740</u> | <u>\$ 116,783</u> |

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

Internal Service Funds

For the Year Ended September 30, 2018

| | Central Garage Fund | Group Insurance Fund | Totals |
|--------------------------------|------------------------------------|-------------------------------------|-------------------|
| Operating Revenues: | | | |
| Charges for services | \$ 142,469 | \$ 983,125 | \$ 1,125,594 |
| Miscellaneous | --- | 24,040 | 24,040 |
| Total Operating Revenues | <u>142,469</u> | <u>1,007,165</u> | <u>1,149,634</u> |
| Operating Expenses: | | | |
| Personnel | 69,063 | --- | 69,063 |
| Contractual services | 12,811 | 1,007,475 | 1,020,286 |
| Commodities | 63,297 | --- | 63,297 |
| Depreciation | 3,009 | --- | 3,009 |
| Total Operating Expenses | <u>148,180</u> | <u>1,007,475</u> | <u>1,155,655</u> |
| Operating loss | (5,711) | (310) | (6,021) |
| Total Net Position - Beginning | <u>30,754</u> | <u>92,050</u> | <u>122,804</u> |
| Total Net Position - Ending | <u>\$ 25,043</u> | <u>\$ 91,740</u> | <u>\$ 116,783</u> |

City of Maryville, Missouri

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended September 30, 2018

| | Central Garage Fund | Group Insurance Fund | Totals |
|--|------------------------------------|-------------------------------------|------------------|
| Cash Flows from Operating Activities: | | | |
| Cash Received from Customers | \$ 142,469 | \$ 1,008,004 | \$ 1,150,473 |
| Cash Paid to Suppliers | (75,096) | (1,007,221) | (1,082,317) |
| Cash Paid to Employees | (65,743) | --- | (65,743) |
| Net Cash Provided by (used in) Operating Activities | <u>1,630</u> | <u>783</u> | <u>2,413</u> |
| | | | |
| Net Increase (Decrease) in Cash and Cash Equivalents | 1,630 | 783 | 2,413 |
| | | | |
| Cash and Cash Equivalents, beginning of year | <u>4,719</u> | <u>91,211</u> | <u>95,930</u> |
| | | | |
| Cash and Cash Equivalents, end of year | <u>\$ 6,349</u> | <u>\$ 91,994</u> | <u>\$ 98,343</u> |
| | | | |
| Reconciliation of Operating Income to Net Cash | | | |
| Provided by (used in) Operating Activities: | | | |
| Operating income (loss) | \$ (5,711) | \$ (310) | \$ (6,021) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | |
| Depreciation | 3,009 | --- | 3,009 |
| Change in assets and liabilities: | | | |
| Other receivables | --- | 839 | 839 |
| Prepaid expense | 86 | --- | 86 |
| Inventory | (671) | --- | (671) |
| Accounts payable and accrued expenses | 1,597 | 254 | 1,851 |
| Compensated absences | 32 | --- | 32 |
| Net pension asset | (7,681) | --- | (7,681) |
| Deferred outflows | 5,344 | --- | 5,344 |
| Deferred inflows | <u>5,625</u> | <u>---</u> | <u>5,625</u> |
| | | | |
| Net Cash Provided by (Used in) Operating Activities | <u>\$ 1,630</u> | <u>\$ 783</u> | <u>\$ 2,413</u> |

City of Maryville, Missouri
Combining Statement of Assets and Liabilities

Agency Funds

September 30, 2018

| | <u>Municipal Court Fund</u> | <u>Library Tax Fund</u> | <u>PILOT Fund</u> | <u>Total</u> |
|---|---------------------------------|-----------------------------|-------------------|---------------|
| ASSETS | | | | |
| Cash, cash equivalents, and investments | \$ 899 | \$ --- | \$ --- | \$ 899 |
| Total Assets | <u>\$ 899</u> | <u>\$ ---</u> | <u>\$ ---</u> | <u>\$ 899</u> |
| LIABILITIES | | | | |
| Court bonds payable | \$ 899 | \$ --- | \$ --- | \$ 899 |
| Total Liabilities | <u>\$ 899</u> | <u>\$ ---</u> | <u>\$ ---</u> | <u>\$ 899</u> |

City of Maryville, Missouri

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended September 30, 2018

| | Balance September 30, 2017 | Additions | Deletions | Balance September 30, 2018 |
|---|----------------------------------|-------------------|-------------------|----------------------------------|
| Municipal Court Fund | | | | |
| Assets: | | | | |
| Cash, cash equivalents, and investments | \$ 1,264 | \$ 146,976 | \$ 147,341 | \$ 899 |
| Total Assets | <u>\$ 1,264</u> | <u>\$ 146,976</u> | <u>\$ 147,341</u> | <u>\$ 899</u> |
| Liabilities: | | | | |
| Court bonds payable | <u>\$ 1,264</u> | <u>\$ 146,976</u> | <u>\$ 147,341</u> | <u>\$ 899</u> |
| Library Tax Fund | | | | |
| Assets: | | | | |
| Cash, cash equivalents, and investments | \$ --- | \$ 407,999 | \$ 407,999 | \$ --- |
| Total Assets | <u>\$ ---</u> | <u>\$ 407,999</u> | <u>\$ 407,999</u> | <u>\$ ---</u> |
| Liabilities: | | | | |
| Due to other governments | <u>\$ ---</u> | <u>\$ 407,999</u> | <u>\$ 407,999</u> | <u>\$ ---</u> |
| PILOT Fund | | | | |
| Assets: | | | | |
| Cash, cash equivalents, and investments | \$ --- | \$ 383,088 | \$ 383,088 | \$ --- |
| Total Assets | <u>\$ ---</u> | <u>\$ 383,088</u> | <u>\$ 383,088</u> | <u>\$ ---</u> |
| Liabilities: | | | | |
| Due to other governments | <u>\$ ---</u> | <u>\$ 383,088</u> | <u>\$ 383,088</u> | <u>\$ ---</u> |
| Total | | | | |
| Assets: | | | | |
| Cash, cash equivalents, and investments | \$ 1,264 | \$ 938,063 | \$ 938,428 | \$ 899 |
| Total Assets | <u>\$ 1,264</u> | <u>\$ 938,063</u> | <u>\$ 938,428</u> | <u>\$ 899</u> |
| Liabilities: | | | | |
| Court bonds payable | \$ 1,264 | \$ 146,976 | \$ 147,341 | \$ 899 |
| Due to other governments | --- | 791,087 | 791,087 | --- |
| Total Liabilities | <u>\$ 1,264</u> | <u>\$ 938,063</u> | <u>\$ 938,428</u> | <u>\$ 899</u> |

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**Statistical Section
(Unaudited)**

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City of Maryville, Missouri

Statistical Section Contents

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

| Contents | Page |
|---|---------|
| Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. | 68 – 79 |
| Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax and sales tax. | 81 – 87 |
| Debt Capacity These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future. | 88 – 94 |
| Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. | 95 – 97 |
| Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services that the City provides and the activities it performs. | 98 – 99 |

City of Maryville, Missouri

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

| | Fiscal Year | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| Governmental activities: | | | | | |
| Net investment in capital assets | \$ 6,185,728 | \$ 6,388,044 | \$ 7,819,761 | \$ 7,984,866 | \$ 9,256,203 |
| Restricted | 1,392,988 | 1,866,593 | 2,649,575 | 2,704,827 | 2,028,658 |
| Unrestricted | (43,187) | (304,162) | (195,542) | 128,651 | 579,473 |
| Total governmental activities net position | <u>\$ 7,535,529</u> | <u>\$ 7,950,475</u> | <u>\$ 10,273,794</u> | <u>\$ 10,818,344</u> | <u>\$ 11,864,334</u> |
| Business-type activities: | | | | | |
| Net investment in capital assets | \$ 12,904,914 | \$ 12,684,104 | \$ 12,574,685 | \$ 12,427,605 | \$ 13,718,139 |
| Restricted | --- | 251,098 | 253,967 | 256,698 | 254,292 |
| Unrestricted | 4,272,990 | 4,135,749 | 4,863,131 | 5,265,594 | 4,071,046 |
| Total business-type activities net position | <u>\$ 17,177,904</u> | <u>\$ 17,070,951</u> | <u>\$ 17,691,783</u> | <u>\$ 17,949,897</u> | <u>\$ 18,043,477</u> |
| Primary government: | | | | | |
| Net investment in capital assets | \$ 19,090,642 | \$ 19,072,148 | \$ 20,394,446 | \$ 20,412,471 | \$ 22,974,342 |
| Restricted | 1,392,988 | 2,117,691 | 2,903,542 | 2,961,525 | 2,282,950 |
| Unrestricted | 4,229,803 | 3,831,587 | 4,667,589 | 5,394,245 | 4,650,519 |
| Total primary government net position | <u>\$ 24,713,433</u> | <u>\$ 25,021,426</u> | <u>\$ 27,965,577</u> | <u>\$ 28,768,241</u> | <u>\$ 29,907,811</u> |

2014 amount was restated for implementation of GASB 68.

| 2014 | 2015 | 2016 | 2017 | 2018 |
|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$10,070,223 | \$12,384,247 | \$13,659,682 | \$17,413,295 | \$20,946,530 |
| 2,033,051 | 1,476,049 | 1,623,075 | 1,461,744 | 2,737,960 |
| 1,845,178 | 1,750,709 | 1,677,784 | 1,809,916 | 962,578 |
| <u>\$13,948,452</u> | <u>\$15,611,005</u> | <u>\$16,960,541</u> | <u>\$20,684,955</u> | <u>\$24,647,068</u> |

| | | | | |
|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$14,347,365 | \$14,279,517 | \$15,082,449 | \$16,703,223 | \$16,683,057 |
| 589,185 | 605,824 | 609,627 | 608,881 | 1,006,283 |
| 3,874,555 | 5,064,908 | 4,487,520 | 3,522,770 | 3,006,475 |
| <u>\$18,811,105</u> | <u>\$19,950,249</u> | <u>\$20,179,596</u> | <u>\$20,834,874</u> | <u>\$20,695,815</u> |

| | | | | |
|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$24,417,588 | \$26,663,764 | \$28,742,131 | \$34,116,518 | \$37,629,587 |
| 2,622,236 | 2,081,873 | 2,232,702 | 2,070,625 | 3,744,243 |
| 5,719,733 | 6,815,617 | 6,165,304 | 5,332,686 | 3,969,053 |
| <u>\$32,759,557</u> | <u>\$35,561,254</u> | <u>\$37,140,137</u> | <u>\$41,519,829</u> | <u>\$45,342,883</u> |

City of Maryville, Missouri

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

| | Fiscal Year | | | | |
|--|-------------|--------------|-------------|--------------|--------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| Expenses: | | | | | |
| Governmental activities: | | | | | |
| General government | \$ 844,858 | \$ 1,061,500 | \$ 502,630 | \$ 1,098,756 | \$ 1,102,420 |
| Public safety | 2,043,053 | 2,179,812 | 2,173,896 | 2,102,893 | 2,146,563 |
| Public works | 2,253,884 | 2,174,413 | 2,438,217 | 2,054,923 | 1,998,155 |
| Park and recreation | 1,368,933 | 1,672,139 | 1,655,649 | 1,736,145 | 1,728,542 |
| Interest on long-term debt | 399,091 | 400,762 | 402,338 | 373,431 | 389,857 |
| Total governmental activities expenses | 6,909,819 | 7,488,626 | 7,172,730 | 7,366,148 | 7,365,537 |
| Business-type activities: | | | | | |
| Solid waste | 754,271 | 758,319 | 948,629 | 1,137,210 | 562,525 |
| Water/sewer utility | 3,548,055 | 3,241,484 | 3,748,738 | 3,982,930 | 3,996,966 |
| Mozingo Golf | 1,665,136 | 2,036,812 | 2,013,424 | 2,089,024 | 1,908,341 |
| Total business-type activities expenses | 5,967,462 | 6,036,615 | 6,710,791 | 7,209,164 | 6,467,832 |
| Total primary government expenses | 12,877,281 | 13,525,241 | 13,883,521 | 14,575,312 | 13,833,369 |
| Program revenue: | | | | | |
| Governmental activities: | | | | | |
| Charges for services: | | | | | |
| General government | 386,139 | 396,289 | 565,200 | 467,611 | 376,968 |
| Public safety | 452,724 | 414,684 | 441,091 | 418,709 | 349,472 |
| Public works | 358,689 | 363,338 | 368,052 | 392,281 | 483,342 |
| Park and recreation | 467,269 | 541,611 | 918,550 | 585,590 | 521,037 |
| Operating grants and contributions | 32,270 | 152,545 | 154,075 | 112,576 | 110,251 |
| Capital grants and contributions | 1,002,892 | 606,339 | 1,440,742 | 133,298 | 605,224 |
| Total governmental activities program revenue | 2,699,983 | 2,474,806 | 3,887,710 | 2,110,065 | 2,446,294 |
| Business-type activities: | | | | | |
| Charges for services: | | | | | |
| Solid Waste | 977,333 | 660,291 | 831,060 | 1,046,054 | 429,948 |
| Water/sewer utility | 3,167,192 | 3,513,702 | 3,675,318 | 4,468,878 | 4,188,882 |
| Mozingo Recreation | 940,089 | 860,217 | 872,540 | 1,007,647 | 996,717 |
| Operating grants and contributions: | | | | | |
| Solid Waste | --- | --- | --- | --- | 19,302 |
| Water/sewer utility | --- | --- | --- | --- | --- |
| Mozingo Recreation | 25,249 | 39,325 | --- | --- | --- |
| Capital grants and contributions: | | | | | |
| Water/sewer utility | 92,904 | --- | 208,912 | 42,218 | 35,364 |
| Mozingo Recreation | 182,552 | 2,282 | 72,648 | 91,351 | --- |
| Total business-type activities program revenue | 5,385,319 | 5,075,817 | 5,660,478 | 6,656,148 | 5,670,213 |
| Total primary government program revenue | 8,085,302 | 7,550,623 | 9,548,188 | 8,766,213 | 8,116,507 |
| Net (expense) revenue: | | | | | |
| Governmental activities | (4,209,836) | (5,013,820) | (3,285,020) | (5,256,083) | (4,919,243) |
| Business-type activities | (582,143) | (960,798) | (1,050,313) | (553,016) | (797,619) |
| Total primary government net expense | (4,791,979) | (5,974,618) | (4,335,333) | (5,809,099) | (5,716,862) |

City of Maryville, Missouri

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

| | Fiscal Year | | | | |
|---|---------------------|-------------------|---------------------|-------------------|---------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| General revenues and other changes in net position: | | | | | |
| Governmental activities: | | | | | |
| Taxes: | | | | | |
| Property taxes | 1,023,334 | 983,898 | 1,013,246 | 1,018,854 | 1,056,533 |
| Sales taxes | 2,799,785 | 2,850,396 | 3,025,166 | 3,206,400 | 3,063,597 |
| Franchise taxes | 904,949 | 936,294 | 1,007,703 | 1,030,452 | 1,106,195 |
| Other taxes | 290,489 | 285,817 | 293,098 | 301,019 | 303,659 |
| PILOT & EATS - TIF | 149,852 | 156,181 | 161,532 | 170,706 | 173,724 |
| Interest | 23,387 | 18,255 | 14,281 | 8,245 | 6,304 |
| Other | 114,720 | 181,031 | 75,039 | 109,022 | 341,110 |
| Gain on sale of capital assets | --- | --- | --- | --- | --- |
| Transfers | (47,190) | 16,894 | 18,274 | 22,366 | 23,261 |
| Special item | --- | --- | --- | (66,431) | --- |
| Total governmental activities | <u>5,259,326</u> | <u>5,428,766</u> | <u>5,608,339</u> | <u>5,800,633</u> | <u>6,074,383</u> |
| Business-type activities: | | | | | |
| Sales taxes | 821,465 | 827,357 | 879,203 | 932,995 | 892,287 |
| Interest | 51,873 | 43,382 | 29,235 | 17,377 | 13,335 |
| Gain on sale of capital assets | --- | --- | --- | 25,267 | 5,532 |
| Other | --- | --- | 780,981 | 20,929 | 83,898 |
| Transfers | 47,190 | (16,894) | (18,274) | (22,366) | (23,261) |
| Special item | --- | --- | --- | (163,072) | --- |
| Total business-type activities | <u>920,528</u> | <u>853,845</u> | <u>1,671,145</u> | <u>811,130</u> | <u>971,791</u> |
| Total primary government | <u>6,179,854</u> | <u>6,282,611</u> | <u>7,279,484</u> | <u>6,611,763</u> | <u>7,046,174</u> |
| Changes in net position: | | | | | |
| Governmental activities | 1,049,490 | 414,946 | 2,323,319 | 544,550 | 1,155,140 |
| Business-type activities | 338,385 | (106,953) | 620,832 | 258,114 | 174,172 |
| Total primary government | <u>\$ 1,387,875</u> | <u>\$ 307,993</u> | <u>\$ 2,944,151</u> | <u>\$ 802,664</u> | <u>\$ 1,329,312</u> |

City of Maryville, Missouri

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

| | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|-------------|--------------|--------------|--------------|--------------|
| Expenses: | | | | | |
| Governmental activities: | | | | | |
| General government | \$ 872,047 | \$ 1,346,176 | \$ 1,602,647 | \$ 1,504,479 | \$ 2,370,486 |
| Public safety | 1,919,497 | 2,093,104 | 2,350,067 | 2,418,828 | 2,252,619 |
| Public works | 3,164,805 | 1,781,467 | 2,200,689 | 2,222,011 | 2,695,743 |
| Park and recreation | 1,713,593 | 1,487,910 | 1,485,858 | 1,737,116 | 1,593,320 |
| Interest on long-term debt | 368,199 | 446,699 | 249,968 | 230,145 | 393,486 |
| Total governmental activities expenses | 8,038,141 | 7,155,356 | 7,889,229 | 8,112,579 | 9,305,654 |
| Business-type activities: | | | | | |
| Solid waste | 418,168 | 309,452 | 262,725 | 52,538 | 47,555 |
| Water/sewer utility | 4,163,637 | 4,551,475 | 4,946,924 | 4,921,657 | 5,270,977 |
| Mozingo Golf | 1,995,356 | 2,072,049 | 2,061,283 | 2,141,181 | 2,519,728 |
| Total business-type activities expenses | 6,577,161 | 6,932,976 | 7,270,932 | 7,115,376 | 7,838,260 |
| Total primary government expenses | 14,615,302 | 14,088,332 | 15,160,161 | 15,227,955 | 17,143,914 |
| Program revenue: | | | | | |
| Governmental activities: | | | | | |
| Charges for services: | | | | | |
| General government | 458,213 | 410,008 | 395,292 | 406,068 | 401,211 |
| Public safety | 365,135 | 284,900 | 306,903 | 236,229 | 186,400 |
| Public works | 491,011 | 496,623 | 457,532 | 453,042 | 455,787 |
| Park and recreation | 546,345 | 522,971 | 531,538 | 601,674 | 571,713 |
| Operating grants and contributions | 19,802 | 780 | 25,714 | 52,212 | 1,015,995 |
| Capital grants and contributions | 658,383 | 1,004,714 | 1,282,890 | 3,890,073 | 4,155,768 |
| Total governmental activities program revenue | 2,538,889 | 2,719,996 | 2,999,869 | 5,639,298 | 6,786,874 |
| Business-type activities: | | | | | |
| Charges for services: | | | | | |
| Solid Waste | 269,052 | 253,512 | 202,944 | 26,522 | 14,576 |
| Water/sewer utility | 4,583,388 | 4,532,432 | 4,768,852 | 4,878,076 | 5,032,206 |
| Mozingo Recreation | 1,004,493 | 1,138,149 | 1,203,488 | 1,231,223 | 1,274,156 |
| Operating grants and contributions: | | | | | |
| Solid Waste | --- | --- | --- | --- | --- |
| Water/sewer utility | 39,178 | 39,136 | 40,097 | 40,677 | 126,139 |
| Mozingo Recreation | --- | --- | --- | --- | --- |
| Capital grants and contributions: | | | | | |
| Water/sewer utility | 97,736 | 159,260 | --- | --- | --- |
| Mozingo Recreation | 79,555 | 873,392 | 78,926 | --- | --- |
| Total business-type activities program revenue | 6,073,402 | 6,995,881 | 6,294,307 | 6,176,498 | 6,447,077 |
| Total primary government program revenue | 8,612,291 | 9,715,877 | 9,294,176 | 11,815,796 | 13,233,951 |
| Net (expense) revenue: | | | | | |
| Governmental activities | (5,499,252) | (4,435,360) | (4,889,360) | (2,473,281) | (2,518,780) |
| Business-type activities | (503,759) | 62,905 | (976,625) | (938,878) | (1,391,183) |
| Total primary government net expense | (6,003,011) | (4,372,455) | (5,865,985) | (3,412,159) | (3,909,963) |

City of Maryville, Missouri

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

| | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|------------|--------------|--------------|--------------|--------------|
| General revenues and other changes in net position: | | | | | |
| Governmental activities: | | | | | |
| Taxes: | | | | | |
| Property taxes | 1,075,334 | 1,090,117 | 1,316,477 | 1,346,888 | 1,291,114 |
| Sales taxes | 3,178,249 | 3,268,852 | 3,339,173 | 3,354,040 | 3,383,106 |
| Franchise taxes | 1,130,069 | 1,284,360 | 1,054,690 | 1,042,481 | 1,058,849 |
| Other taxes | 293,028 | 286,711 | 274,522 | 358,432 | 395,145 |
| PILOT & EATS - TIF | 175,019 | 157,896 | 166,680 | 165,153 | 164,632 |
| Interest | 5,886 | 5,204 | 8,219 | 25,769 | 72,177 |
| Other | 43,315 | 88,167 | 93,752 | 196,726 | 94,426 |
| Gain on sale of capital assets | --- | --- | --- | 7,762 | --- |
| Transfers | 24,520 | (83,394) | (14,617) | (299,556) | 21,444 |
| Special item | --- | --- | --- | --- | --- |
| Total governmental activities | 5,925,420 | 6,097,913 | 6,238,896 | 6,197,695 | 6,480,893 |
| Business-type activities: | | | | | |
| Sales taxes | 925,380 | 951,025 | 970,447 | 1,192,423 | 1,181,636 |
| Interest | 17,055 | 13,628 | 16,644 | 52,631 | 87,842 |
| Gain on sale of capital assets | --- | 19,900 | 49,292 | --- | --- |
| Other | 7,062 | 8,292 | 154,972 | 49,546 | 4,090 |
| Transfers | (24,520) | 83,394 | 14,617 | 299,556 | (21,444) |
| Special item | --- | --- | --- | --- | --- |
| Total business-type activities | 924,977 | 1,076,239 | 1,205,972 | 1,594,156 | 1,252,124 |
| Total primary government | 6,850,397 | 7,174,152 | 7,444,868 | 7,791,851 | 7,733,017 |
| Changes in net position: | | | | | |
| Governmental activities | 426,168 | 1,662,553 | 1,349,536 | 3,724,414 | 3,962,113 |
| Business-type activities | 421,218 | 1,139,144 | 229,347 | 655,278 | (139,059) |
| Total primary government | \$ 847,386 | \$ 2,801,697 | \$ 1,578,883 | \$ 4,379,692 | \$ 3,823,054 |

City of Maryville, Missouri

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

| | Fiscal Year | | | | |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| General Fund: | | | | | |
| Nonspendable | \$ --- | \$ --- | \$ --- | \$ 6,666 | \$ 26,127 |
| Restricted | --- | --- | 3,310 | 3,010 | 3,010 |
| Committed | --- | --- | 78,631 | 419,063 | 152,700 |
| Assigned | --- | --- | --- | 35,870 | 1,120,215 |
| Unassigned | --- | --- | 1,883,103 | 1,865,578 | 1,486,033 |
| Reserved | 3,919 | 3,690 | --- | --- | --- |
| Unreserved | 1,781,122 | 1,855,250 | --- | --- | --- |
| Total General Fund | <u>\$ 1,785,041</u> | <u>\$ 1,858,940</u> | <u>\$ 1,965,044</u> | <u>\$ 2,330,187</u> | <u>\$ 2,788,085</u> |
| All other governmental funds: | | | | | |
| Nonspendable | \$ --- | \$ --- | \$ --- | \$ --- | \$ --- |
| Restricted | --- | --- | 2,201,022 | 2,701,817 | 2,727,663 |
| Committed | --- | --- | --- | --- | --- |
| Reserved | 2,023,029 | 1,646,795 | --- | --- | --- |
| Unreserved reported in: | | | | | |
| Special revenue funds | 440,342 | 502,987 | --- | --- | --- |
| Total all other governmental funds | <u>\$ 2,463,371</u> | <u>\$ 2,149,782</u> | <u>\$ 2,201,022</u> | <u>\$ 2,701,817</u> | <u>\$ 2,727,663</u> |

Committed

GASB Statement No. 54 Implemented in Fiscal Year 2011

| 2014 | 2015 | 2016 | 2017 | 2018 |
|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$ 30,064 | \$ 22,752 | \$ 22,779 | \$ 12,306 | \$ 13,366 |
| 3,010 | 3,010 | 3,010 | 3,010 | 3,531 |
| 558,582 | 378,163 | 165,201 | 36,986 | 46,315 |
| 634,366 | 558,747 | 533,204 | 292,323 | 451,810 |
| 1,236,200 | 833,673 | 966,069 | 1,051,158 | 1,067,575 |
| --- | --- | --- | --- | --- |
| --- | --- | --- | --- | --- |
| <u>\$ 2,462,222</u> | <u>\$ 1,796,345</u> | <u>\$ 1,690,263</u> | <u>\$ 1,395,783</u> | <u>\$ 1,582,597</u> |
| \$ --- | \$ 115,431 | \$ 115,431 | \$ 115,431 | \$ 115,431 |
| 1,878,436 | 1,357,608 | 1,504,634 | 1,343,303 | 5,770,996 |
| --- | --- | --- | 415,698 | 420,521 |
| --- | --- | --- | --- | --- |
| --- | --- | --- | --- | --- |
| --- | --- | --- | --- | --- |
| <u>\$ 1,878,436</u> | <u>\$ 1,473,039</u> | <u>\$ 1,620,065</u> | <u>\$ 1,874,432</u> | <u>\$ 6,306,948</u> |

City of Maryville, Missouri

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

| | Fiscal Year | | | | |
|--|------------------|------------------|------------------|------------------|-------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| Revenues: | | | | | |
| Taxes | \$ 5,461,205 | \$ 5,509,955 | \$ 5,794,679 | \$ 6,029,752 | \$ 6,005,812 |
| Licenses and permits | 72,647 | 69,577 | 83,153 | 96,015 | 84,463 |
| Intergovernmental revenues | 1,312,175 | 1,221,644 | 1,840,908 | 636,912 | 1,054,119 |
| Charges for services | 479,018 | 554,038 | 625,179 | 634,216 | 574,502 |
| Fines and forfeitures | 448,312 | 412,474 | 412,964 | 377,954 | 303,797 |
| Interest | 23,387 | 18,255 | 14,281 | 8,244 | 6,304 |
| Other | 164,070 | 223,662 | 161,259 | 563,230 | 468,419 |
| Total Revenues | 7,960,814 | 8,009,605 | 8,932,423 | 8,346,323 | 8,497,416 |
| Expenditures: | | | | | |
| General government | 1,198,202 | 1,037,182 | 984,469 | 1,006,846 | 1,207,917 |
| Public safety | 2,056,542 | 2,205,200 | 2,034,663 | 2,121,685 | 2,130,002 |
| Public works | 1,957,843 | 1,613,443 | 2,306,486 | 1,658,433 | 1,889,771 |
| Park and recreation | 1,054,628 | 1,122,491 | 1,310,634 | 1,343,647 | 1,529,234 |
| Tourism | --- | --- | --- | --- | --- |
| Capital outlay | 2,595,297 | 1,559,124 | 1,297,896 | 512,327 | 3,610,800 |
| Debt service: | | | | | |
| Principal retirement | 290,993 | 343,468 | 481,397 | 501,031 | 835,000 |
| Issuance costs | 101,190 | --- | --- | --- | 24,500 |
| Interest and fiscal charges | 340,932 | 394,051 | 377,808 | 358,782 | 369,709 |
| Total expenditures | 9,595,627 | 8,274,959 | 8,793,353 | 7,502,751 | 11,596,933 |
| Excess of revenues over (under) expenditures | (1,634,813) | (265,354) | 139,070 | 843,572 | (3,099,517) |
| Other financing sources (uses): | | | | | |
| Transfers in | 142,466 | 184,793 | 252,934 | 150,646 | 104,678 |
| Transfers out | (148,786) | (159,129) | (234,660) | (128,280) | (81,417) |
| Insurance recoveries | --- | --- | --- | --- | --- |
| Bond premium | 141,439 | --- | --- | --- | --- |
| Payment to refunded bond escrow agent | (2,373,758) | --- | --- | --- | --- |
| Long-term debt issued | 4,276,889 | --- | --- | --- | 3,560,000 |
| Refunding bonds issued | --- | --- | --- | --- | --- |
| Notes payable issued | --- | --- | --- | --- | --- |
| Sale of capital assets | --- | --- | --- | --- | --- |
| Total other financing sources (uses) | 2,038,250 | 25,664 | 18,274 | 22,366 | 3,583,261 |
| Net changes in fund balance | 403,437 | (239,690) | 157,344 | 865,938 | 483,744 |
| Fund balances - Beginning | 3,844,975 | 4,248,412 | 4,008,722 | 4,166,066 | 5,032,004 |
| Fund balances - Ending | \$ 4,248,412 | \$ 4,008,722 | \$ 4,166,066 | \$ 5,032,004 | \$ 5,515,748 |
| Debt service as a percentage of noncapital expenditures | | | | | |
| | 9.03% | 10.98% | 11.46% | 12.30% | 15.09% |

| 2014 | 2015 | 2016 | 2017 | 2018 |
|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$ 6,160,613 | \$ 6,407,525 | \$ 6,469,765 | \$ 6,590,571 | \$ 6,613,472 |
| 80,920 | 93,586 | 70,560 | 73,448 | 69,665 |
| 981,945 | 1,375,848 | 1,679,836 | 2,678,360 | 2,246,934 |
| 598,008 | 572,865 | 589,179 | 644,386 | 628,277 |
| 318,664 | 240,070 | 257,116 | 198,218 | 135,396 |
| 5,885 | 5,204 | 8,219 | 25,769 | 72,177 |
| 219,178 | 160,075 | 174,127 | 265,053 | 162,587 |
| <u>8,365,213</u> | <u>8,855,173</u> | <u>9,248,802</u> | <u>10,475,805</u> | <u>9,928,508</u> |
| 1,229,039 | 2,241,302 | 1,366,665 | 1,310,745 | 2,131,497 |
| 2,208,932 | 2,231,898 | 2,172,098 | 2,280,390 | 2,155,965 |
| 2,290,323 | 2,127,638 | 1,353,020 | 1,305,075 | 1,273,534 |
| 1,273,954 | 1,227,606 | 1,187,938 | 1,384,619 | 1,337,874 |
| --- | --- | --- | --- | 14,371 |
| 1,193,687 | 377,901 | 1,732,588 | 3,003,786 | 3,121,743 |
| 1,065,000 | 1,105,000 | 1,295,160 | 1,286,049 | 1,499,566 |
| --- | 64,450 | --- | 7,998 | 236,911 |
| 378,463 | 346,517 | 258,521 | 233,510 | 197,125 |
| <u>9,639,398</u> | <u>9,722,312</u> | <u>9,365,990</u> | <u>10,812,172</u> | <u>11,968,586</u> |
| <u>(1,274,185)</u> | <u>(867,139)</u> | <u>(117,188)</u> | <u>(336,367)</u> | <u>(2,040,078)</u> |
| 214,416 | 134,399 | 138,380 | 142,027 | 152,071 |
| (115,321) | (217,793) | (152,997) | (441,583) | (130,627) |
| --- | 46,130 | 4,580 | 15,248 | 8,815 |
| --- | --- | --- | 11,206 | 148,458 |
| --- | (2,063,476) | --- | --- | (2,445,000) |
| --- | 1,745,000 | 168,169 | 561,594 | 6,450,000 |
| --- | --- | --- | --- | 2,390,000 |
| --- | --- | --- | --- | 85,691 |
| --- | --- | --- | 7,762 | --- |
| <u>99,095</u> | <u>(355,740)</u> | <u>158,132</u> | <u>296,254</u> | <u>6,659,408</u> |
| (1,175,090) | (1,222,879) | 40,944 | (40,113) | 4,619,330 |
| <u>5,515,748</u> | <u>4,492,263</u> | <u>3,269,384</u> | <u>3,310,328</u> | <u>3,270,215</u> |
| <u>\$ 4,340,658</u> | <u>\$ 3,269,384</u> | <u>\$ 3,310,328</u> | <u>\$ 3,270,215</u> | <u>\$ 7,889,545</u> |
| 17.09% | 15.53% | 20.35% | 19.46% | 19.18% |

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City of Maryville, Missouri

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

| Fiscal Year | Ad Valorem Taxes | Sales Tax | Franchise Fees | Excise Taxes | Other Taxes | Total |
|---------------------|------------------|--------------|----------------|--------------|-------------|--------------|
| 2009 | \$ 1,017,010 | \$ 2,799,785 | \$ 904,949 | \$ 352,413 | \$ 387,048 | \$ 5,461,205 |
| 2010 | 983,898 | 2,850,396 | 936,294 | 351,505 | 387,862 | 5,509,955 |
| 2011 | 1,013,246 | 3,025,166 | 1,007,703 | 346,888 | 401,676 | 5,794,679 |
| 2012 | 1,018,854 | 3,206,400 | 1,030,452 | 355,734 | 418,310 | 6,029,750 |
| 2013 | 1,056,532 | 3,063,597 | 1,106,195 | 351,340 | 428,148 | 6,005,812 |
| 2014 | 1,075,334 | 3,178,249 | 1,130,069 | 355,311 | 421,650 | 6,160,613 |
| 2015 | 1,090,117 | 3,268,852 | 1,284,361 | 363,507 | 400,688 | 6,407,525 |
| 2016 | 1,316,476 | 3,339,173 | 1,054,690 | 361,623 | 397,803 | 6,469,765 |
| 2017 | 1,346,888 | 3,354,040 | 1,042,481 | 366,334 | 480,828 | 6,590,571 |
| 2018 | 1,291,114 | 3,383,106 | 1,058,849 | 357,551 | 522,852 | 6,613,472 |
| Change 2009-2018 | 26.95% | 20.83% | 17.01% | 1.46% | 35.09% | 21.10% |

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

City of Maryville, Missouri

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

| | Fiscal Year | | | | |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| Governmental activities: | | | | | |
| General government | \$ 386,139 | \$ 396,289 | \$ 565,200 | \$ 467,611 | \$ 376,968 |
| Public safety | 465,412 | 629,806 | 563,891 | 445,742 | 385,660 |
| Public works | 1,381,163 | 907,100 | 1,840,069 | 606,885 | 1,162,629 |
| Park and recreation | 467,269 | 541,611 | 918,550 | 589,827 | 521,037 |
| Total governmental activities | 2,699,983 | 2,474,806 | 3,887,710 | 2,110,065 | 2,446,294 |
| Business-type activities: | | | | | |
| Solid Waste | 977,333 | 660,291 | 831,060 | 1,046,054 | 449,250 |
| Water/sewer utility | 3,260,096 | 3,513,702 | 3,884,230 | 4,511,096 | 4,224,246 |
| Mozingo Recreation | 1,147,890 | 901,824 | 945,188 | 1,098,998 | 996,717 |
| Total business-type activities | 5,385,319 | 5,075,817 | 5,660,478 | 6,656,148 | 5,670,213 |
| Total primary government | \$ 8,085,302 | \$ 7,550,623 | \$ 9,548,188 | \$ 8,766,213 | \$ 8,116,507 |

| | 2014 | 2015 | 2016 | 2017 | 2018 |
|----|-----------|--------------|--------------|---------------|---------------|
| \$ | 458,213 | \$ 410,008 | \$ 395,292 | \$ 406,068 | \$ 401,211 |
| | 406,865 | 294,680 | 309,557 | 242,800 | 202,395 |
| | 1,074,666 | 1,492,337 | 1,763,482 | 4,388,756 | 5,611,555 |
| | 599,145 | 522,971 | 531,538 | 601,674 | 571,713 |
| | 2,538,889 | 2,719,996 | 2,999,869 | 5,639,298 | 6,786,874 |
| | 269,052 | 253,512 | 202,944 | 26,522 | 14,576 |
| | 4,720,302 | 4,730,828 | 4,808,949 | 4,918,753 | 5,158,345 |
| | 1,084,048 | 2,011,541 | 1,282,414 | 1,231,223 | 1,274,156 |
| | 6,073,402 | 6,995,881 | 6,294,307 | 6,176,498 | 6,447,077 |
| \$ | 8,612,291 | \$ 9,715,877 | \$ 9,294,176 | \$ 11,815,796 | \$ 13,233,951 |

City of Maryville, Missouri

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

| Industry | FY 2018 | | FY 2009 | |
|--|---------|---|---------|---|
| | Rank | Percentage of Total City Sales Tax Revenues | Rank | Percentage of Total City Sales Tax Revenues |
| General Merchandise Stores | 1 | 29.50% | | |
| Food, Health/Personal Care, Gas & Convenience Stores | 2 | 16.23% | | |
| Accommodation & Food Services | 3 | 13.76% | | |
| Building materials, Hardware, Garden Supply, etc | 4 | 8.16% | | |
| Other Retail | 5 | 7.28% | | |
| Motor Vehicle Account | 6 | 6.21% | | |
| Utilities | 7 | 6.05% | | |
| Information | 8 | 2.81% | | |
| Manufacturing | 9 | 2.49% | | |
| Other Services | 10 | 1.81% | | |
| Total Percentage of Sales Tax Revenue | | <u>94.30%</u> | | |
| General Merchandise Store | | | 1 | 35.31% |
| Food Stores | | | 2 | 12.35% |
| Eating & Drinking Places | | | 3 | 11.37% |
| Electric, Gas & Sanitary Services | | | 4 | 7.28% |
| Building materials, Hardware, Garden Supply, etc | | | 5 | 6.69% |
| Motor Vehicle Account | | | 6 | 5.35% |
| Miscellaneous Retail | | | 7 | 3.82% |
| Communication | | | 8 | 3.81% |
| Automotive Dealers and Gasoline Services | | | 9 | 2.17% |
| Furniture & Home Furnishings Stores | | | 10 | 1.44% |
| Total Percentage of Sales Tax Revenue | | | | <u>89.59%</u> |

Source: Missouri Department of Revenue

City of Maryville, Missouri

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

| Fiscal Year | City Direct Rate | Nodaway County Rate | Nodaway County Ambulance Rate | State Rate | Total Rate |
|-------------|------------------|---------------------|-------------------------------|------------|------------|
| 2009 | 2.250% | 1.000% | 0.500% | 4.225% | 7.975% |
| 2010 | 2.250% | 1.000% | 0.500% | 4.225% | 7.975% |
| 2011 | 2.250% | 1.000% | 0.500% | 4.225% | 7.975% |
| 2012 | 2.250% | 1.000% | 0.500% | 4.225% | 7.975% |
| 2013 | 2.250% | 1.000% | 0.500% | 4.225% | 7.975% |
| 2014 | 2.250% | 1.000% | 0.500% | 4.225% | 7.975% |
| 2015 | 2.250% | 1.500% | 0.500% | 4.225% | 8.475% |
| 2016 | 2.250% | 1.500% | 0.500% | 4.225% | 8.475% |
| 2017 | 2.375% | 1.500% | 0.500% | 4.225% | 8.600% |
| 2018 | 2.375% | 1.500% | 0.500% | 4.225% | 8.600% |

Source: Missouri Department of Revenue

City of Maryville, Missouri

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

| Fiscal Year | Residential Property | Commercial Property | Agriculture Property | Railroad & Utility | Personal Property | Total Taxable Assessed Value |
|-------------|----------------------|---------------------|----------------------|--------------------|-------------------|------------------------------|
| 2009 | \$ 59,013,550 | \$ 27,766,030 | \$ 38,280 | \$ 2,229,078 | \$ 37,202,730 | \$ 126,249,668 |
| 2010 | 60,301,700 | 27,529,020 | 38,160 | 2,465,690 | 31,849,110 | 122,183,680 |
| 2011 | 63,267,080 | 27,832,050 | 33,950 | 2,950,130 | 31,862,020 | 125,945,230 |
| 2012 | 63,828,660 | 28,332,300 | 33,430 | 2,633,924 | 28,848,970 | 123,677,284 |
| 2013 | 64,412,200 | 28,052,040 | 32,550 | 3,119,649 | 32,057,933 | 127,674,372 |
| 2014 | 65,226,180 | 28,148,910 | 29,350 | 3,706,225 | 32,054,910 | 129,165,575 |
| 2015 | 66,105,870 | 28,515,450 | 39,800 | 3,912,556 | 30,358,450 | 128,932,126 |
| 2016 | 66,696,340 | 27,902,220 | 42,500 | 4,106,997 | 36,032,658 | 134,780,715 |
| 2017 | 67,898,020 | 27,596,890 | 38,710 | 4,377,697 | 32,207,340 | 132,118,657 |
| 2018 | 68,637,020 | 28,068,270 | 38,950 | 4,605,060 | 32,649,490 | 133,998,790 |

Note: Property is reassessed once every two years.

Source: Nodaway County Clerk

| | Estimated Actual Value | Direct Tax Rate | Ratio of Total Assessed Value to Total Estimated Actual Value |
|----|------------------------------|-----------------------|---|
| \$ | 516,151,817 | 0.7534 | 24.46% |
| | 506,839,694 | 0.7492 | 24.11% |
| | 524,923,836 | 0.7491 | 23.99% |
| | 519,424,679 | 0.7677 | 23.81% |
| | 532,747,244 | 0.7677 | 23.97% |
| | 539,145,862 | 0.7677 | 23.96% |
| | 540,566,959 | 0.7790 | 23.85% |
| | 559,413,210 | 0.8803 | 24.09% |
| | 554,115,594 | 0.8931 | 23.84% |
| | 561,488,768 | 0.8619 | 23.86% |

City of Maryville, Missouri

Direct and Overlapping Property Tax Rates Last Ten Fiscal Years

| Fiscal Year | City Direct Rates | | | | Overlapping Rates | | | | | Total Direct & Overlapping Rates |
|-------------|-------------------|------------|-------------------|---------------------|--------------------------|------------------|------------------------|-----------------|--------|----------------------------------|
| | General Fund | Parks Fund | Debt Service Fund | Total City Tax Rate | School District Tax Rate | Library Tax Rate | Polk Township Tax Rate | County Tax Rate | Others | |
| 2009 | 0.3170 | 0.3170 | 0.1194 | 0.7534 | 4.8950 | 0.1432 | 0.3220 | 0.1600 | 0.1800 | 6.4536 |
| 2010 | 0.3298 | 0.3000 | 0.1194 | 0.7492 | 4.9195 | 0.1490 | 0.4768 | 0.1600 | 0.1800 | 6.6345 |
| 2011 | 0.3297 | 0.3000 | 0.1194 | 0.7491 | 4.9336 | 0.1490 | 0.4768 | 0.1600 | 0.1800 | 6.6485 |
| 2012 | 0.3383 | 0.3000 | 0.1294 | 0.7677 | 4.9758 | 0.1529 | 0.4847 | 0.1400 | 0.1800 | 6.7011 |
| 2013 | 0.3383 | 0.3000 | 0.1294 | 0.7677 | 5.0410 | 0.1529 | 0.4847 | 0.1400 | 0.1800 | 6.7663 |
| 2014 | 0.3383 | 0.3000 | 0.1294 | 0.7677 | 5.1388 | 0.1529 | 0.4853 | 0.1300 | 0.1800 | 6.8547 |
| 2015 | 0.3412 | 0.3000 | 0.1378 | 0.7790 | 5.1317 | 0.1542 | 0.4900 | 0.1200 | 0.1800 | 6.8549 |
| 2016 | 0.3415 | 0.4036 | 0.1352 | 0.8803 | 5.1303 | 0.1544 | 0.4978 | 0.1200 | 0.1800 | 6.9628 |
| 2017 | 0.3556 | 0.4085 | 0.1290 | 0.8931 | 5.0791 | 0.1607 | 0.5069 | 0.1200 | 0.1800 | 6.9398 |
| 2018 | 0.3556 | 0.4085 | 0.0978 | 0.8619 | 5.0807 | 0.2852 | 0.5083 | 0.1200 | 0.1800 | 7.0361 |

Notes: The Others category includes the tax rate for the Senior Citizens Center, Sheltered Workshop, Health and State.
 Overlapping rates are those of local and county governments that apply to property owners within the City of Maryville.
 Rates for debt service are set based on the year's payment obligation.

Source: Nodaway County Clerk

City of Maryville, Missouri

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

| Taxpayer | 2018 | | | 2009 | | |
|---------------------------------------|------------------------|------|---|------------------------|------|---|
| | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| L & L Holdings, Inc. | \$ 2,512,680 | 1 | 1.88% | | | |
| Wal-Mart | 2,494,200 | 2 | 1.86% | \$ 2,607,450 | 1 | 2.07% |
| Daniels Childrens Investments, LLC | 1,470,290 | 3 | 1.10% | | | |
| Federal Mogul Vehicle Component | 971,140 | 4 | 0.72% | | | |
| Maryville MO Assisted Living Prop Inv | 778,840 | 5 | 0.58% | | | |
| Deluxe Manufacturing Operations LLC | 743,140 | 6 | 0.55% | 642,950 | 7 | 0.51% |
| Nucor-LMP Inc. | 714,650 | 7 | 0.53% | 714,650 | 6 | 0.57% |
| Inland Realty | 602,580 | 8 | 0.45% | 602,580 | 8 | 0.48% |
| Krzyzostaniok, Dorothy | 572,320 | 9 | 0.43% | 564,140 | 9 | 0.45% |
| Snyder & Snyder LLC | 502,850 | 10 | 0.38% | 460,050 | 10 | 0.36% |
| Energizer Battery Mfg | | | | 2,515,160 | 2 | 1.99% |
| Maryville Partners LLC | | | | 1,885,300 | 3 | 1.49% |
| Barrington Assoc Inc. | | | | 784,600 | 4 | 0.65% |
| Moog Augomotive Company | | | | 971,140 | 4 | 0.77% |
| Wal-Mart Realty Company | | | | 784,600 | 5 | 0.62% |
| Boney Corporation | | | | 494,920 | 9 | 0.41% |

Source: Nodaway County Assessor

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City of Maryville, Missouri

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

| Fiscal Year | Current Tax Levy | Collected Within the Fiscal Year of the Levy | | Collected in Subsequent Years | Total Collections to Date | |
|-------------|------------------|--|--------------------|-------------------------------|---------------------------|--------------------|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2009 | \$ 951,165 | \$ 923,151 | 97.05% | \$ 13,841 | \$ 936,992 | 98.51% |
| 2010 | 915,400 | 894,832 | 97.75% | 11,072 | 905,904 | 98.96% |
| 2011 | 943,456 | 920,197 | 97.53% | 14,152 | 934,349 | 99.03% |
| 2012 | 949,471 | 925,679 | 97.49% | 13,543 | 939,222 | 98.92% |
| 2013 | 980,156 | 954,518 | 97.38% | 17,934 | 972,452 | 99.21% |
| 2014 | 991,604 | 968,563 | 97.68% | 16,959 | 985,522 | 99.39% |
| 2015 | 1,004,381 | 983,216 | 97.89% | 11,928 | 995,144 | 99.08% |
| 2016 | 1,186,475 | 1,172,309 | 98.81% | 14,562 | 1,186,871 | 100.03% |
| 2017 | 1,179,952 | 1,169,297 | 99.10% | 14,728 | 1,184,025 | 100.35% |
| 2018 | 1,154,936 | 1,128,067 | 97.67% | --- | 1,128,067 | 97.67% |

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

A tax levy provides taxes remitted for the following year.

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

City of Maryville, Missouri

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

| Fiscal Year | Governmental Activities | | | | |
|----------------|------------------------------------|-------------------|--------------|---|------------------|
| | General Obligation Bonds (1) | Capital Leases | TIF Bonds | Certificates of Participation (1) | Notes Payable |
| 2009 | \$ 4,220,000 | \$ 50,896 | \$ 2,500,000 | \$ 1,730,000 | \$ --- |
| 2010 | 4,145,000 | 32,428 | 2,440,000 | 1,540,000 | --- |
| 2011 | 3,980,000 | 6,031 | 2,380,000 | 1,310,000 | --- |
| 2012 | 3,795,000 | --- | 2,310,000 | 1,070,000 | --- |
| 2013 | 3,600,000 | --- | 2,230,000 | 4,070,000 | --- |
| 2014 | 3,380,000 | --- | 2,140,000 | 3,315,000 | --- |
| 2015 | 3,242,634 | --- | 1,745,000 | 2,530,000 | --- |
| 2016 | 3,025,562 | --- | 1,480,000 | 1,715,000 | 163,009 |
| 2017 | 2,788,490 | --- | 1,310,000 | 1,198,964 | 363,553 |
| 2018 | 2,485,866 | --- | 1,055,000 | 6,742,487 | 404,677 |

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

* Information unavailable

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

| Business-type Activities | | | | | | |
|--------------------------|-------------------|---|-----------------|--------------------------------|-------------------------------------|--------------------|
| Revenue Bonds (1) | Capital Leases | Certificates of Participation (1) | Note Payable | Total Primary Government | Percentage of Personal Income | Debt per Capita |
| \$ 3,170,000 | \$ 1,264,094 | \$ --- | \$ 77,429 | \$ 13,012,419 | 4.45% | \$ 1,230 |
| 2,860,000 | 992,575 | --- | 61,645 | 12,071,648 | 3.77% | 1,008 |
| 2,550,000 | 785,265 | 2,795,000 | 44,888 | 13,851,184 | 4.18% | 1,157 |
| 2,220,000 | 2,239,314 | 2,695,000 | 27,097 | 14,356,411 | 4.33% | 1,199 |
| 1,870,000 | 1,813,467 | 2,590,000 | 162,238 | 16,335,705 | 4.68% | 1,364 |
| 15,270,000 | 1,441,139 | 2,485,000 | --- | 28,031,139 | 8.14% | 2,341 |
| 14,494,389 | 1,077,068 | 2,376,636 | --- | 25,465,727 | 7.82% | 2,127 |
| 13,896,446 | 705,729 | 2,260,818 | --- | 23,246,564 | 6.79% | 1,942 |
| 13,278,505 | 352,049 | 9,589,559 | --- | 28,881,120 | 8.30% | 2,412 |
| 12,645,561 | 82,154 | 8,999,231 | 114,235 | 32,529,211 | * | 2,717 |

City of Maryville, Missouri

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

| Fiscal Year | General Obligation Bonds (1) | Fund Balance Debt Service Fund | Net General Bonded Debt | Percentage of Actual Taxable Value of Property | Debt per Capita |
|-------------|------------------------------|--------------------------------|-------------------------|--|-----------------|
| 2009 | \$ 4,220,000 | 404,480 | \$ 3,815,520 | 0.74% | \$ 399 |
| 2010 | 4,145,000 | 502,355 | 3,642,645 | 0.72% | 346 |
| 2011 | 3,980,000 | 530,056 | 3,449,944 | 0.66% | 332 |
| 2012 | 3,795,000 | 562,805 | 3,232,195 | 0.62% | 317 |
| 2013 | 3,600,000 | 588,228 | 3,011,772 | 0.57% | 301 |
| 2014 | 3,380,000 | 608,081 | 2,771,919 | 0.51% | 282 |
| 2015 | 3,242,634 | 645,446 | 2,597,188 | 0.48% | 271 |
| 2016 | 3,025,562 | 721,087 | 2,304,475 | 0.41% | 253 |
| 2017 | 2,788,490 | 785,798 | 2,002,692 | 0.36% | 233 |
| 2018 | 2,485,866 | 794,619 | 1,691,247 | 0.30% | 208 |

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

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

City of Maryville, Missouri

Direct and Overlapping Governmental Activities Debt For the Year Ended September 30, 2018 (Unaudited)

| Governmental Unit | Debt Outstanding | Estimated Percentage Applicable | Amount Applicable to City |
|-----------------------------------|------------------|---------------------------------------|---------------------------------|
| Debt repaid with property taxes: | | | |
| Maryville School District | \$ 15,995,000 | 71.81% | \$ 11,486,010 |
| Nodaway County | 2,741,530 | 41.24% | 1,130,607 |
| Sub total overlapping | 18,736,530 | | 12,616,617 |
| City direct debt | | | 10,688,030 |
| Total direct and overlapping debt | | | \$ 23,304,647 |

Source: Maryville School District and Nodaway County

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

City of Maryville, Missouri

Legal Debt Margin Information Last Ten Fiscal Years (Unaudited)

| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Debt limit | \$ 25,249,934 | \$ 24,436,736 | \$ 25,189,046 | \$ 24,735,457 | \$ 25,534,874 |
| Total net debt applicable to limit | <u>3,815,520</u> | <u>3,642,645</u> | <u>3,449,944</u> | <u>3,232,195</u> | <u>3,011,772</u> |
| Legal debt margin | <u>\$ 21,434,414</u> | <u>\$ 20,794,091</u> | <u>\$ 21,739,102</u> | <u>\$ 21,503,262</u> | <u>\$ 22,523,102</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 17.80% | 17.52% | 15.87% | 15.03% | 13.37% |

Legal Debt Margin Calculation for Fiscal Year 2018

| | |
|--|-----------------------|
| Assessed value | <u>\$ 133,998,790</u> |
| Debt limit (20% of assessed value) | <u>\$ 26,799,758</u> |
| City Debt applicable to debt limit: | |
| General obligation bonds | 2,485,866 |
| Less-amount available in debt service fund | <u>(794,619)</u> |
| Total net debt applicable to limit | <u>1,691,247</u> |
| Legal debt margin | <u>\$ 25,108,511</u> |

| <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 25,833,115 | \$ 25,786,425 | \$ 26,956,143 | \$ 26,423,731 | \$ 26,799,758 |
| <u>2,771,919</u> | <u>2,597,188</u> | <u>2,304,475</u> | <u>2,002,692</u> | <u>1,691,247</u> |
| <u>\$ 23,061,196</u> | <u>\$ 23,189,237</u> | <u>\$ 24,651,668</u> | <u>\$ 24,421,039</u> | <u>\$ 25,108,511</u> |
| 12.02% | 11.20% | 9.35% | 8.20% | 6.74% |

City of Maryville, Missouri

Pledged-Revenue Coverage Last Ten Fiscal Years (Unaudited)

| Water and Sewer System Bonds | | | | | | | |
|------------------------------|-----------------------|------------------------|---|--------------|-----------|---------------------|----------|
| Fiscal Year | Operating Revenue (1) | Operating Expenses (2) | Net Revenues Available for Debt Service | Debt Service | | Total Debt Payments | Coverage |
| | | | | Principal | Interest | | |
| (3) 2009 | \$ 3,212,727 | \$ 1,945,457 | \$ 1,267,270 | \$ 150,000 | \$ 83,918 | \$ 233,918 | 5.42 |
| 2010 | 3,550,405 | 1,839,555 | 1,710,850 | 310,000 | 102,789 | 412,789 | 4.14 |
| 2011 | 3,701,221 | 2,259,413 | 1,441,808 | 310,000 | 92,263 | 402,263 | 3.58 |
| 2012 | 4,484,593 | 2,295,261 | 2,189,332 | 330,000 | 83,600 | 413,600 | 5.29 |
| 2013 | 4,200,991 | 2,173,665 | 2,027,326 | 350,000 | 64,483 | 414,483 | 4.89 |
| 2014 | 4,599,372 | 2,254,388 | 2,344,984 | 350,000 | 481,165 | 831,165 | 2.82 |
| 2015 | 4,545,071 | 2,424,665 | 2,120,406 | 590,000 | 512,818 | 1,102,818 | 1.92 |
| 2016 | 4,784,275 | 2,547,201 | 2,237,074 | 600,000 | 498,680 | 1,098,680 | 2.04 |
| 2017 | 4,919,419 | 2,572,405 | 2,347,014 | 620,000 | 482,719 | 1,102,719 | 2.13 |
| 2018 | 5,110,590 | 2,744,463 | 2,366,127 | 635,000 | 463,791 | 1,098,791 | 2.15 |

(1) Operating revenue includes interest earnings

(2) Operating expenses excludes interest expense and depreciation expense

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

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

City of Maryville, Missouri

Demographic and Economic Statistics Last Ten Fiscal Years (Unaudited)

| Fiscal Year | Population (1) | Personal Income | Per Capita Income (2) | Median Age (1) | School Enrollment (4) | Unemployment Rate (3) |
|-------------|----------------|-----------------|-----------------------|----------------|-----------------------|-----------------------|
| 2009 | 10,581 | 292,469,421 | 27,641 | 23 | 1,348 | 5.93% |
| 2010 | 11,972 | 320,334,804 | 26,757 | 23 | 1,334 | 6.89% |
| 2011 | 11,972 | 331,337,072 | 27,676 | 23 | 1,339 | 7.09% |
| 2012 | 11,972 | 331,384,960 | 27,680 | 23 | 1,348 | 5.58% |
| 2013 | 11,972 | 348,995,772 | 29,151 | 23 | 1,385 | 6.05% |
| 2014 | 11,972 | 344,278,804 | 28,757 | 23 | 1,372 | 7.00% |
| 2015 | 11,972 | 325,470,792 | 27,186 | 23 | 1,398 | 5.20% |
| 2016 | 11,972 | 342,423,144 | 28,602 | 23 | 1,363 | 4.58% |
| 2017 | 11,972 | 348,133,788 | 29,079 | 23 | 1,367 | 3.92% |
| 2018 | 11,972 | * | * | 23 | 1,381 | 3.23% |

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

* Information unavailable

City of Maryville, Missouri

Principal Employers Current Year and Nine Years Ago (Unaudited)

| Employer (1) | 2018 | | | 2009 | | |
|--|-----------|------|---------------------------------------|-----------|------|---------------------------------------|
| | Employees | Rank | Percentage of Total County Employment | Employees | Rank | Percentage of Total County Employment |
| Kawasaki Motors Mfg. Corp | 1,100 | 1 | 10.86% | 700 | 2 | 5.88% |
| Northwest Missouri State University | 715 | 2 | 7.06% | 735 | 1 | 6.18% |
| St. Francis Hospital & Health Services | 475 | 3 | 4.69% | 473 | 4 | 3.97% |
| Wal-Mart Superstore | 230 | 4 | 2.27% | 290 | 6 | 2.44% |
| Maryville Treatment Center | 215 | 5 | 2.12% | 240 | 8 | 2.02% |
| Maryville R-II School District | 195 | 6 | 1.92% | 250 | 7 | 2.10% |
| Federal Mogul | 190 | 7 | 1.88% | 200 | 10 | 1.68% |
| Hy-Vee | 175 | 8 | 1.73% | 300 | 5 | 2.52% |
| Laclede Chain | 150 | 9 | 1.48% | | | |
| DELUXE | 140 | 10 | 1.38% | 200 | 9 | 1.68% |
| Energizer Battery | | | | 500 | 3 | 4.20% |

Source: Missouri Economic Research and Information Center - Missouri Department of Economic Development
(for the Maryville Micropolitan Area) and
: Nodaway County Economic Development

City of Maryville, Missouri

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

| Function/Program | Full-Time Equivalent Employees as of September 30 | | | | | | | | | |
|-----------------------------------|---|--------------|------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 * | 2014 | 2015 | 2016 | 2017 | 2018 |
| General Government | | | | | | | | | | |
| Administration | 5 | 4 | 4 | 5 | 5 | 5 | 5.32 | 5 | 5 | 4.66 |
| Finance | 6 | 6 | 6 | 6 | 6 | 6 | 5.76 | 5.43 | 4.95 | 4.52 |
| Court | 1.5 | 1.5 | 1.5 | 1.5 | 1.04 | 1.06 | 1.04 | 1.05 | 1.04 | 1.04 |
| Public Safety | | | | | | | | | | |
| Administration | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Public Safety Officers | 19 | 19 | 18 | 19 | 19 | 18 | 19 | 19 | 18.8 | 18.98 |
| Lake Patrol | 1.5 | 1 | 1 | 0.5 | 0.36 | 0.2 | 0.49 | 0.5 | 0.44 | 0.39 |
| Dispatch | 6 | 5.5 | 5.5 | 5 | 5.64 | 4.61 | 5.05 | 5.84 | 5.33 | 4.71 |
| Firefighters | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Volunteer Firefighters | 13 | 15 | 16 | 15 | 14 | 14 | 16 | 15 | 16 | 18 |
| Public Works | | | | | | | | | | |
| Administration | 2 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Code Enforcement | 2 | 2 | 2 | 2 | 1 | 2 | 2 | 2 | 1.78 | 1.53 |
| Street Maintenance/Central Garage | 9 | 9 | 9 | 9 | 9 | 7 | 7.35 | 7.33 | 7.73 | 8.59 |
| Airport | 1.5 | 1.5 | 1.5 | 1.5 | 1.13 | 1.13 | 1.23 | 1.2 | 0.77 | 1 |
| GIS | 1 | 1 | 1 | 1 | 1.44 | 1 | 1 | 1 | 1 | 1 |
| Parks & Recreation | | | | | | | | | | |
| Administration | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3.06 | 3.08 | 2.86 |
| Recreation | 18.5 | 22.5 | 22.5 | 20 | 8.35 | 8.04 | 13.48 | 13.96 | 13.8 | 14.66 |
| Park Maintenance | 5.5 | 5.5 | 5.5 | 6 | 6.34 | 5.94 | 7.13 | 6.21 | 6.99 | 6.53 |
| Solid Waste | 3 | 3 | 3 | 3 | 2.75 | 1.48 | 1.71 | 1.69 | | 0 |
| Water/Sewer | 6 | 6 | 5 | 6.5 | 6 | 7 | 7.1 | 6.66 | 8.91 | 8.51 |
| Mozingo Recreation | | | | | | | | | | |
| Operations | | | | | | | 10.38 | 8.79 | 8.37 | 8.1 |
| Maintenance | | | | | | | 13.25 | 11.93 | 12.71 | 13.87 |
| Golf Clubhouse | 8 | 7 | 5.5 | 7 | 6.27 | | | | | |
| Golf Maintenance | 9 | 8.5 | 7.5 | 8 | 6.52 | | | | | |
| Park Maintenance | 6.5 | 6.5 | 7.5 | 8.5 | 9.47 | | | | | |
| Total | 131 | 132.5 | 131 | 133.5 | 118.31 | 115.09 | 123.38 | 122.01 | 123.59 | 124.96 |

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

Source: City records

City of Maryville, Missouri

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

| Function/Program | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Public Safety: | | | | | | | | | | |
| Arrests | 888 | 1,041 | 856 | 794 | 686 | 688 | 813 | 766 | 645 | 473 |
| Parking violations | 648 | 644 | 570 | 529 | 392 | 617 | 329 | 271 | 428 | 427 |
| Traffic violations | 969 | 916 | 688 | 1,285 | 840 | 682 | 717 | 947 | 644 | 490 |
| Vehicle accidents | 321 | 270 | 313 | 280 | 325 | 382 | 308 | 308 | 305 | 243 |
| Total calls answered | 12,054 | 8,764 | 7,999 | 7,613 | 7,708 | 8,727 | 8,747 | 7,511 | 8,164 | 8,335 |
| Fire: | | | | | | | | | | |
| Total calls answered | 322 | 313 | 237 | 331 | 286 | 252 | 190 | 255 | 219 | 248 |
| Public Works: | | | | | | | | | | |
| Commercial building permits | 15 | 10 | 15 | 16 | 19 | 10 | 24 | 13 | 31 | 17 |
| Residential building permits | 56 | 50 | 54 | 57 | 59 | 50 | 47 | 43 | 64 | 59 |
| Water: | | | | | | | | | | |
| Number of service connections | 3,892 | 3,897 | 4,003 | 4,074 | 4,114 | 4,146 | 4,195 | 4,198 | 4,200 | 4,216 |
| Daily average consumption in gallons | 1.6 mgd | 1.7 mgd | 1.8 mgd | 1.8 mgd | 1.8 mgd | 1.8 mgd | 1.8 mgd | 1.8 mgd | 1.8 mgd | 1.8 mgd |
| Water Pollution Control: | | | | | | | | | | |
| Daily average flow in gallons | 1.6 mgd | 1.6 mgd | 1.8 mgd | 1.8 mgd | 1.8 mgd | 1.8 mgd | 1.8 mgd | 1.8 mgd | 1.8 mgd | 1.8 mgd |

Source: City records

City of Maryville, Missouri

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

| Function/Program | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|-----------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Public Safety Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Public Works: | | | | | | | | | | |
| Area of city (square miles) | 5.86 | 6.12 | 6.12 | 6.13 | 6.18 | 6.32 | 7.65 | 7.65 | 7.65 | 7.81 |
| Miles of streets | 62.11 | 69.28 | 69.28 | 69.28 | 69.28 | 69.28 | 69.28 | 69.28 | 78.50 | 78.80 |
| Number of streets | 114 | 128 | 129 | 130 | 132 | 203 | 204 | 204 | 204 | 205 |
| Miles of sidewalks | 34 | 34 | 34 | 34 | 35 | 35 | 35 | 35 | 35 | 35 |
| Number of street lights | 816 | 816 | 816 | 816 | 823 | 823 | 823 | 823 | 823 | 823 |
| Miles of storm sewers | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 |
| Parks & Recreation: | | | | | | | | | | |
| Parks | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Acreage | 110 | 110 | 110 | 110 | 110 | 110 | 110 | 110 | 110 | 110 |
| Tennis courts | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Baseball/softball diamonds | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Community center | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Aquatic center | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Water: | | | | | | | | | | |
| Miles of water mains | 76 | 74 | 74 | 74 | 74 | 73 | 73 | 73 | 73 | 73 |
| Number of fire hydrants | 498 | 485 | 478 | 485 | 490 | 485 | 485 | 485 | 488 | 488 |
| Maximum daily capacity in gallons | 5.0 mgd | 5.0 mgd | 5.0 mgd | 5.0 mgd | 5.0 mgd | 5.0 mgd | 5.0 mgd | 5.0 mgd | 5.0 mgd | 5.0 mgd |
| Water Pollution Control: | | | | | | | | | | |
| Miles of sanitary sewer | 63 | 63 | 63 | 63 | 63 | 55 | 55 | 55 | 60 | 60 |
| Maximum daily capacity in gallons | 1.7 mlg | 1.7 mlg | 1.7 mlg | 1.7 mlg | 1.7 mlg | 1.7 mlg | 1.7 mlg | 1.7 mlg | 1.7 mlg | 1.7 mlg |

Source: City records

APPENDIX C

DEFINITIONS OF WORDS AND TERMS AND SUMMARY OF THE DOCUMENTS

In addition to words and terms defined elsewhere in this Official Statement, the following are definitions of certain words and terms used in the Indenture, the Lease and this Official Statement unless the context clearly otherwise requires. Reference is hereby made to the Indenture and the Lease for complete definitions of all terms.

“Additional Certificates” means any additional parity certificates of participation delivered pursuant to the Indenture.

“Additional Payments” means the additional payments described in the Lease.

“Authorized City Representative” means the Mayor, the City Manager, the Finance Director or such other person at the time designated, by written certificate furnished to the Trustee, as the person or persons authorized to act on behalf of the City.

“Available Revenues” means, for any Fiscal Year, any balances of the City from previous Fiscal Years encumbered to pay Rent, amounts budgeted or appropriated by the City for such Fiscal Year plus any unencumbered balances of the City from previous Fiscal Years that are legally available to pay Rent during such Fiscal Year, plus all moneys and investments, including earnings thereon, held by the Trustee pursuant to the Indenture.

“Business Day” means any day other than (a) a Saturday or Sunday or legal holiday or a day on which banks located in the city in which the corporate trust office of the Trustee is required or authorized by law to remain closed or (b) a day on which the Securities Depository is closed.

“Certificate Payment Date” means any date on which any amount representing the Principal Component or the Interest Component with respect to any Certificate is payable.

“Certificate Register” means the books maintained by the Trustee for the registration, transfer and exchange of Certificates as described in the Indenture.

“Certificate Registrar” means the Trustee when acting in that capacity, or its successor as Certificate Registrar.

“Certificates” means the Series 2019 Certificates delivered under the Indenture and any Additional Certificates delivered pursuant to the Indenture.

“Code” means the Internal Revenue Code of 1986, as amended, and the applicable regulations of the United States Treasury Department promulgated thereunder.

“Completion Certificate” means the certificate delivered to the Trustee pursuant to the Lease and the Indenture evidencing substantial completion of the Project and acceptance of the Project by the City.

“Completion Date” means the date of completion of the Project as that date shall be certified as provided in the Lease.

“Construction Period” means the period from the beginning of construction of the Project to the Completion Date.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the City and related to the authorization, execution, sale and delivery of the Certificates.

“Counsel” means an attorney duly admitted to practice law before the highest court of any state and, without limitation, may include legal counsel for the City or the Trustee.

“Defaulted Interest” means interest on any Certificate that is payable but not paid on the date due.

“Defeasance Obligations” means any of the following obligations:

- (a) Cash.
- (b) U.S. Treasury Certificates, Notes and Bonds.
- (c) Direct obligations of the Treasury which have been stripped by the Treasury itself.
- (d) The interest component of Resolution Funding Corporation (REFCORP) strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form.
- (e) Pre-refunded municipal bonds pre-refunded with cash or United States Government Obligations.

“Escrow Agent” means UMB Bank, N.A., as escrow agent under the Escrow Agreement.

“Escrow Agreement” means the Letter of Instructions to Redeem Certificates from the City to the Escrow Agent, and relating to the refunding of the Refunded Certificates.

“Escrow Fund” means the debt service fund established for the Series 2010B Certificates.

“Event of Default” means (a) with respect to the Indenture, any Event of Default as described in the Indenture, and (b) with respect to the Lease, any Event of Default as described in the Lease.

“Event of Nonappropriation” means a nonrenewal of the Lease by the City determined by the failure of the City to appropriate and budget, or the election of the City not to so appropriate and budget, on or before the date required by the laws of the State during the Initial Term or any Renewal Term, moneys sufficient to pay the Rental Payments and reasonably expected Additional Payments due and payable during the next Renewal Term.

“Fiscal Year” means the fiscal year adopted by the City for accounting purposes, which as of the execution of the Indenture commences on October 1 of each year and ends on September 30 of the following year.

“Full Insurable Value” means the actual replacement cost of the Project less physical depreciation and exclusive of land, excavations, footings, foundations, parking lots and other parts of the Project that are not insurable.

“Interest Component” means the Interest Component of Rental Payments as provided by the Lease.

“Lease Term” means the period from the effective date of the Lease until the expiration thereof which includes the Original Term and any Renewal Term or Terms as provided in the Lease.

“Mandatory Prepayment Date” means any mandatory prepayment date established pursuant to the Indenture.

“Maximum Lease Term” means the Original Term and all Renewal Terms through the Renewal Term ending September 30, 2038 (unless otherwise provided in a Supplemental Lease).

“Moody’s” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the City by notice to the Trustee.

“Net Proceeds” means the gross proceeds from any insurance or condemnation award with respect to the Project, less the payment of all expenses (including attorneys’ fees and expenses, Trustee’s fees, costs, charges and expenses, including any extraordinary expenses of the Trustee) incurred in the collection of such gross proceeds.

“Opinion of Counsel” means a written opinion of counsel to the City or the Trustee.

“Option Purchase Price” means the price as specified in the Lease which the City may elect to pay to the Trustee to purchase the Property from the Trustee on the Optional Prepayment Date.

“Optional Prepayment Date” means any optional prepayment date established pursuant to the Indenture.

“Optional Purchase Date” means any date during the Lease Term as specified in the Lease upon which the City, pursuant to the Lease, may elect to purchase the Property for the then applicable Option Purchase Price.

“Original Term” means the period from the dated date of the Lease until the end of the Fiscal Year then in effect.

“Outstanding” means, when used with reference to Certificates, as of any particular date of determination, all Certificates theretofore authenticated and delivered under the Indenture, except the following Certificates:

- (a) Certificates theretofore canceled by the Trustee or delivered to the Trustee for cancellation;
- (b) Certificates paid or deemed to be paid in accordance with the provisions of the Indenture;
- (c) Certificates alleged to have been mutilated, destroyed, lost or stolen which have been paid as provided in the Indenture;
- (d) Certificates in exchange for or in lieu of which other Certificates have been authenticated and delivered pursuant to the Indenture; and
- (e) for purposes of any consent or other action to be taken by the Registered Owners of a specified percentage of Certificates under the Indenture or the Lease, Certificates held by or for the account of the City or any person controlling, controlled by or under common control of the City.

“Paying Agent” means the Trustee and any other bank or trust company designated pursuant to the Indenture as paying agent for any series of Certificates and at which the principal, premium, if any, and interest on any such Certificates shall be payable.

“Permitted Encumbrances” means, as of any particular time (a) liens for ad valorem taxes and special assessments not then delinquent or if delinquent are being contested in accordance with the Lease, (b) the Indenture, (c) the Lease, (d) any and all Uniform Commercial Code Financing Statements executed to perfect any security interest created in connection with the delivery of the Certificates, (e) utility, access and other easements and rights-of-way, street dedications, mineral rights, restrictions, exceptions and encumbrances that the City certifies in writing will not materially interfere with or impair the operations being conducted using the Property or easements granted to the Trustee, (f) such minor defects, irregularities, encumbrances, easements, mechanic’s liens, rights-of-way and clouds on title as normally exist with respect to properties similar in character to the Property and as do not in the aggregate materially impair the property affected thereby for the purpose for which it was acquired or is held by the Trustee or the City, and (g) items affecting the Property that are agreed to in writing by the Trustee (in reliance upon the written direction of the Registered Owners of not less than a majority in aggregate Principal Components of the Certificates Outstanding) and the City.

“Permitted Investments” means any of the securities and obligations described in the Indenture, if and to the extent the same are at the time legal for investment of the City’s moneys held in the Funds referred to in the Indenture.

“Person” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof.

“Plans and Specifications” means the plans and specifications prepared for and showing the Project, as amended by the City from time to time prior to the Completion Date, the same being duly certified by the Authorized City Representative, which plans and specifications are on file at the principal office of the City and shall be available for reasonable inspection by the Trustee and its duly appointed representatives.

“Prime Rate” means that rate of interest which has most recently been established by UMB Bank, N.A., at its office in Kansas City, Missouri, as its prime rate, such Prime Rate to be adjusted on the effective date of any change thereof as announced from time to time by UMB Bank, N.A.

“Principal Component” means the Principal Component of Rental Payments as provided by the Lease.

“Project” means the acquisition, construction, improvement, furnishing and equipping of the improvements described in the Indenture or any Supplemental Indenture, pursuant to the Lease, paid for in whole or in part from the proceeds of Certificates, and all replacements thereof and substitutions therefor made pursuant to the Lease, and all additions, alterations, modifications and improvements thereof made pursuant to the Lease, including, upon the delivery of Additional Certificates, including Project Additions financed with Additional Certificates.

“Project Additions” means all additions, improvements, extensions, alterations, expansions or modifications of the Property or any part thereof financed with the proceeds of Additional Certificates delivered pursuant to the Indenture.

“Project Agreement” means any agreement between the City and various parties providing for the acquisition, construction and installation of the Project.

“Project Costs” means all costs of acquisition, construction, improvement, furnishing and equipping of the Project, including those provided in the Indenture.

“Property” means the Property as described in the Indenture that secures payment of the Certificates.

“Record Date” means the 15th day (whether or not a Business Day) of the calendar month next preceding the month in which each Certificate Payment Date occurs.

“Refunded Certificates” means the outstanding principal amount of the Series 2010B Certificates.

“Registered Owner,” “Owner” or “Certificate Owner” when used with respect to any Certificate means the Person in whose name such Certificate is registered on the Certificate Register.

“Renewal Term” means the optional renewal terms of the Lease, each being a duration of one year and a term co-extensive with the City’s Fiscal Year.

“Rent” means, collectively, Rental Payments and Additional Payments.

“Rental Payment Date” means during the Lease Term, any day on or prior to each Certificate Payment Date, and any other date on which any Rental Payments are payable pursuant to the Lease.

“Rental Payments” means the payments described in the Lease.

“S&P” or “Standard & Poor’s” means Standard & Poor’s Ratings Services, a separately identifiable business unit within Standard & Poor’s Financial Services LLC, a Delaware limited liability company wholly owned by the McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, and if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee.

“Series 2010B Certificates” means the City’s Taxable Certificates of Participation (Build America Bonds – Direct Pay), Series 2010B.

“Series 2019 Certificates” means the City’s Refunding and Improvement Certificates of Participation, Series 2019, delivered pursuant to the Indenture.

“Special Counsel” means Gilmore & Bell, P.C. or any other attorney or firm of attorneys (which is mutually acceptable to the City and the Trustee) of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on obligations issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America.

“Special Record Date” means the date fixed by the Trustee pursuant to the Indenture for the payment of Defaulted Interest.

“Supplemental Indenture” means any indenture supplemental or amendatory to this Trust Indenture entered into by the City and the Trustee to the Indenture.

“Supplemental Lease” means any agreement supplemental or amendatory to the Lease entered into by the City and the Trustee pursuant to the Indenture.

“Tax Compliance Agreement” means the Tax Compliance Agreement between the City and the Trustee, entered into in connection with the delivery of each series of Certificates for which the interest component of Rental Payments paid by the City and distributed to the registered owners of the Certificates is excluded from gross income for federal income tax purposes, as from time to time amended in accordance with the provisions thereof.

“Trust Estate” means the Trust Estate described in the Granting Clauses of the Indenture and in the Granting Clauses of any Supplemental Indenture.

“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), or securities which represent an undivided interest in such obligations, and such obligations are held in a custodial or trust account for the benefit of the City.

SUMMARY OF THE INDENTURE

The following is a summary of certain provisions contained in the Indenture. The following is not a comprehensive description, however, and is qualified in its entirety by reference to the Indenture for a complete recital of the terms thereof.

Trust Estate

The City and the Trustee, transfers in trust, pledges and assigns to the Trustee the property described below (said property being in the Indenture called the “Trust Estate”) as security for the payment of the Certificates:

- (a) all right, title and interest of the City in, to and under the Lease, including all Rental Payments and other payments, revenues and receipts derived by the Trustee under and pursuant to and subject to the provisions of the Lease (except for the rights of the Trustee to receive money for its own account and to indemnify under the Lease and any amounts required under Section 148(f) of the Code to be paid to the United States); and
- (b) all money, property and securities from time to time held by the Trustee under the terms of the Indenture, and any and all other real or personal property of every kind and nature from time to time hereafter, by delivery or by writing of any kind, pledged, assigned or transferred as and for additional security hereunder by or on behalf of the City, or with its written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms of the Indenture.

Authorization of Additional Certificates

Additional Certificates may be delivered under and be equally and ratably secured by the Indenture on a parity with the Series 2019 Certificates and any other Additional Certificates Outstanding, at any time and from time to time while no Event of Default or Event of Nonappropriation has occurred and is continuing under the Indenture, upon compliance with the conditions provided in the Indenture, for any lawful purpose for the benefit of the City. The principal amount of any Additional Certificates may include an amount sufficient to pay the costs and expenses of delivery, a funding of a reserve account, if required, and such capitalized amounts as are permitted by law.

Additional Certificates may be delivered without the consent of the Registered Owners of the Certificates (a) if the Additional Certificates are being delivered to refund Certificates providing present value debt service savings for the City or (b) for Additional Certificates delivered in the principal amount, together with other Certificates then Outstanding, not to exceed \$6,000,000.

Creation of Funds

There are created and ordered to be established in the custody of the Trustee the following special trust funds in the name of the City to be designated as follows:

- (a) Certificate Fund; and
- (b) Project Fund.

In addition, the Escrow Agreement establishes the Escrow Fund to be held and administered by the Escrow Agent in accordance with the provisions of the Escrow Agreement.

Disbursements from the Project Fund

So long as no Event of Default or Event of Nonappropriation has occurred and is continuing, the money in the Project Fund shall be disbursed by the Trustee for the payment of remaining Project Costs upon receipt of requisition certificates in substantially the form attached to the Lease and signed by an Authorized City Representative. All disbursements of Project Fund moneys shall, at the option of the City, be made either directly to the appropriate payees or to the City for reimbursement of Project Costs. The Trustee covenants and agrees to disburse such money in accordance with the provisions of the Indenture. In making disbursements for Project Costs, the Trustee may conclusively rely as to the completeness and accuracy of all statements in such requisition certificate without inquiry or investigation if such requisition certificate is signed by the Authorized City Representative. The Trustee shall not make any inspections of the Project nor any improvements thereon, make any provision to obtain completion certificates, mechanic's or materialmen's lien releases or otherwise supervise any phase of the acquisition, construction, improvement, furnishing or equipping of the Project. The receipt of a requisition signed by the Authorized City Representative shall constitute unto the Trustee an irrevocable determination that all conditions precedent to the payment of the specified amounts from the Project Fund have been completed.

Disposition Upon Completion of the Project

The completion of the Project and payment of all costs and expenses incidental thereto shall be evidenced by the filing with the Trustee by the Authorized City Representative of the Completion Certificate required by the Lease. As soon thereafter as practicable, any balance remaining in the Project Fund (other than amounts retained by the Trustee as specified in said certificate) shall without further authorization be deposited in the applicable subaccount of the Certificate Fund and applied by the Trustee as directed in writing by the City solely (i) to pay amounts representing Principal Component or premium, if any, with respect to the Certificates upon the payment or prepayment thereof at the earliest date permissible under the terms of the Indenture, or (ii) at the option of the City, to purchase Certificates at such earlier date or dates as the City may elect. The balance remaining in the Project Fund and transferred to the Certificate Fund shall be invested in accordance with the written direction of the City. Any investment direction of the City shall be in compliance with the Tax Compliance Agreement. Any earnings on such investments may be applied to pay amounts representing Principal Components, premium, if any, or Interest Components with respect to the Certificates. Any Certificates purchased by the Trustee with moneys from the Certificate Fund will be deemed canceled. From time to time as the proper disposition of the amounts retained by the Trustee and specified in said certificate shall be determined, to the extent that such amounts are not paid out by the Trustee pursuant to the Indenture, the City shall so notify the Trustee by one or more certificates as aforesaid and amounts from time to time no longer to be so retained by the Trustee shall be so deposited in the applicable subaccount of the Certificate Fund and applied by the Trustee as aforesaid.

Disposition upon Acceleration

If the Certificates shall have become due and payable pursuant to the Indenture, upon the date of payment by the Trustee of any money due as hereinafter provided in the Indenture, any balance remaining in the

Project Fund shall without further authorization be deposited in the applicable subaccount of the Certificate Fund by the Trustee with written notice to the City of such action.

Deposits into the Certificate Fund

The Trustee shall deposit into the applicable subaccount of the Certificate Fund, as and when received, the following moneys:

- (a) All Rental Payments payable by the City to the Trustee specified in the Lease;
- (b) Any amount remaining in the Project Fund to be transferred to the Certificate Fund pursuant to the Indenture upon completion of the Project and any amount remaining in the Project Fund to be transferred to the Certificate Fund pursuant to the Indenture upon acceleration of the maturity of the Certificates;
- (c) The balance of any Net Proceeds of insurance or condemnation awards received by the Trustee pursuant to the Lease;
- (d) All interest and other income derived from investments of moneys required to be transferred to the Certificate Fund as provided in the Indenture; and
- (e) All other moneys received by the Trustee when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the Certificate Fund.

Application of Moneys in the Certificate Fund

Except as provided in the Indenture, moneys in the Certificate Fund shall be expended solely for (1) the payment of the Principal Component, premium, if any, and Interest Component of the Rental Payments represented by the Certificates as the same mature and become due or upon the prepayment thereof, or (2) to purchase Certificates for cancellation prior to maturity.

Payments Due on Days Other than Business Days

In any case where any amount representing Principal Component, premium, if any, or Interest Component with respect to any Certificate is payable on a day other than a Business Day, then such amounts with respect to the Certificates need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made when due, and no interest shall accrue for the period after such date.

Nonpresentment of Certificates

In the event that any Certificate is not presented for payment when the Principal Component and premium, if any, with respect thereto becomes due, whether at maturity, upon prepayment or otherwise, or at the date fixed for prepayment thereof, if funds sufficient to pay such Certificate shall have been made available to the Trustee, all liability of the City to the Registered Owner thereof for the payment of such Certificate shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such funds, without liability for Interest Components with respect thereto, for the benefit of such Registered Owner of such Certificate, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under the Indenture with respect to such Certificate. If any Certificate is not presented for payment within one year following the date when such Certificate becomes due, whether by maturity, upon prepayment or otherwise, the Trustee upon the request of the City shall repay to the City without liability for interest thereon the funds theretofore held by the Trustee for payment of such Certificate, and such Certificate 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, and the City shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Investment of Moneys in Funds

Money in the Funds held by the Trustee thereunder shall, pursuant to the City's direction given by the Authorized City Representative, confirmed in writing, and subject to the Tax Compliance Agreement, be separately invested and reinvested by the Trustee in Permitted Investments which mature or are subject to prepayment by the holder prior to the date when such money will be needed or, if such written directions are not received, then the Trustee shall hold such moneys in uninvested cash. After the Trustee has notice pursuant to the Indenture of the existence of an Event of Default or an Event of Nonappropriation, the Trustee shall direct the investment of money in the Funds held by it under the Indenture. The Trustee shall sell and reduce to cash a sufficient amount of such Permitted Investments whenever the cash balance in any Fund is insufficient for the purposes of such Fund. The Trustee may make any and all investments permitted by the Indenture through its own bond department or any affiliate or short-term investment department.

Any Permitted Investments shall be held by or under the control of the Trustee and will be deemed at all times to be a part of the Fund in which such money is originally held. Any loss resulting from Permitted Investments shall be charged to the applicable Fund. In determining the balance in any Fund, investments in such Fund shall be valued at the lower of their original cost or their fair market value as of the most recent Record Date, or as frequently as deemed necessary.

Events of Default

If any of the following events occur, it is defined as and declared to be and to constitute an Event of Default under the Indenture:

- (a) Default in the due and punctual payment of any amount representing Interest Components with respect to any Certificate;
- (b) Default in the due and punctual payment of any amount representing Principal Components or premium, if any, with respect to any Certificate, whether at maturity, upon prepayment or otherwise;
- (c) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the City in the Indenture or in the Certificates contained (other than a default described in (a) or (b) above) or in any other document or instrument that secures or otherwise relates to the obligations secured, and the continuance thereof for a period of 30 days after written notice thereof shall have been given to the City by the Trustee, or to the Trustee (which notice of default the Trustee shall be required to accept) and the City by the Registered Owners of not less than 25% in aggregate principal amount of Certificates then Outstanding; provided, however, if any default shall be such that it cannot be corrected within such 30-day period, it shall not constitute an Event of Default if corrective action is instituted by the City within such period and diligently pursued until the default is corrected, so long as said default is corrected within 60 days after written notice thereof was first given as provided in the Indenture unless the Trustee otherwise consents; or
- (d) An Event of Default as specified in the Lease shall have occurred.

Acceleration of Maturity

If an Event of Default or an Event of Nonappropriation shall have occurred and be continuing, (1) the Trustee may, and (2) the Trustee shall, at the written direction of the Registered Owners of not less than 25% in aggregate principal amount of Certificates then Outstanding, by notice in writing delivered to the City, declare the Rental Payments and Additional Payments payable during the current Renewal Term immediately due and

payable, and such Rental Payments and Additional Payments shall thereupon become and be immediately due and payable, anything in the Indenture or in the Certificates to the contrary notwithstanding.

If, at any time after such declaration, but before the Certificates shall have matured by their terms, all overdue installments representing Principal and Interest Components with respect to the Certificates, together with the reasonable and proper costs, charges, fees and expenses of the Trustee, and all other sums then payable by the City under the Indenture either has been paid or provision satisfactory to the Trustee for such payment has been made, then and in every such case the Trustee shall, upon the written request of the Registered Owners of not less than a majority in aggregate Principal Components of the Certificates Outstanding, rescind such declaration and annul such default in its entirety. In such event, the Trustee shall rescind any declaration of acceleration of installments of Rental Payments made pursuant to the Lease.

In case of any rescission, then and in every such case the City, the Trustee and the Registered Owners shall be restored to their former position and rights respectively, but no such rescission shall extend to any subsequent or other default or Event of Default or Event of Nonappropriation or impair any right consequent thereon.

Exercise of Remedies by the Trustee

If an Event of Default or Event of Nonappropriation has occurred and is continuing, (1) the Trustee may, and (2) the Trustee shall, upon the written request of the Registered Owners of not less than 25% in aggregate principal amount of Certificates then Outstanding, and upon being indemnified as provided in the Indenture, pursue and exercise any available remedy at law or in equity by suit, action, mandamus or other proceeding or exercise such one or more of the rights and remedies conferred by the Indenture and the Lease as the Trustee, being advised by Counsel, shall deem most expedient in the interests of the Registered Owners, to enforce the payment of the Principal Component, premium, if any, and Interest Component of the Rental Payments represented by the Certificates then Outstanding and to enforce and compel the performance of the duties and obligations of the City under the Lease.

Limitation on Exercise of Remedies by Registered Owners

No Registered Owner shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Indenture or for the execution of any trust under the Indenture or for the appointment of a receiver or any other remedy thereunder, unless (a) an Event of Default or Event of Nonappropriation has occurred of which the Trustee has been notified or is deemed to have notice as provided in the Indenture, (b) the Registered Owners of not less than 25% in aggregate principal amount of Certificates then Outstanding shall have made written request to the Trustee and have furnished the Trustee reasonable opportunity either to proceed to exercise the powers granted in the Indenture or to institute such action, suit or proceeding in its own name, and have furnished to the Trustee indemnity as provided in the Indenture, and (c) the Trustee thereafter fails or refuses to exercise the powers and remedies granted in the Indenture or to institute such action, suit or proceeding in its own name. No one or more Registered Owners shall have any right in any manner whatsoever to affect, disturb or prejudice the Indenture by its, his or their action or to enforce any right thereunder except in the manner provided in the Indenture. All proceedings at law or in equity shall be instituted, had and maintained in the manner provided and for the equal benefit of the Registered Owners of all Certificates then Outstanding. Nothing in the Indenture contained shall, however, affect or impair the right of any Registered Owner to payment of amounts representing Principal and Interest Components of the Rental Payments represented by any Certificate at and after the maturity thereof or the obligation of the City to provide for payment of the Principal Component, premium, if any, and Interest Component of the Rental Payments represented by any Certificate delivered under the Indenture to the respective Registered Owners thereof at the time, place, from the source and in the manner expressed in the Indenture and in the Certificates.

Right of Registered Owners to Direct Proceedings

Anything in the Indenture to the contrary notwithstanding, the Registered Owners of not less than a majority in aggregate Principal Components with respect to the Certificates then Outstanding shall have the right at any time, upon an Event of Default or an Event of Nonappropriation, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, or for the appointment of a receiver or any other proceedings thereunder; provided that such direction shall not be otherwise than in accordance with the provisions of law and to the extent not inconsistent with the Indenture.

Application of Moneys in Event of Default or Event of Nonappropriation

All moneys received by the Trustee pursuant to any right given or action taken under the provisions of the Indenture shall, after payment of the costs, fees, charges, and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses, liabilities and advances incurred or made by the Trustee, including any attorneys' fees and expenses, be deposited in the applicable subaccount of the Certificate Fund. All moneys so deposited in the Certificate Fund shall be applied as follows:

(1) Unless any of the Principal Components with respect to any Certificates shall have become or shall have been declared due and payable, all such moneys shall be applied:

First -- To the payment to the persons entitled thereto of all installments of amounts representing Interest Components then due and payable with respect to any Certificates, in the order in which such interest installments became due and payable and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment, ratably, according to the amounts due on such Interest Component installment, to the persons entitled thereto, without any discrimination or privilege; and

Second -- To the payment to the persons entitled thereto of the unpaid amounts representing Principal Components with respect to any of the Certificates which have become due and payable (other than Certificates called for prepayment for the payment of which moneys are held pursuant to the provisions of the Indenture), in the order of their due dates and, if the amount available shall not be sufficient to pay in full amounts representing Principal Components due with respect to Certificates on any particular date, then to the payment, ratably, according to the amount of Principal Components due on such date, to the persons entitled thereto without any discrimination or privilege.

(2) If any of the Principal Component of the Rental Payments represented by the Outstanding Certificates has become due or been declared due and payable, all such moneys shall be applied to the payment of the amounts then due and unpaid with respect to such Certificates, without preference or priority of Principal Component over Interest Component or of Interest Component over Principal Component or of any installment of Interest Component over any other installment of Interest Component or of any Certificate over any other Certificate, ratably, according to the amounts due respectively for the Principal Component and Interest Component, to the persons entitled thereto, without any discrimination or privilege.

(3) If the Principal Component of the Rental Payments represented by any of the Outstanding Certificates has been declared due and payable, and if such declaration thereafter has been rescinded and annulled under the provisions of the Indenture, then, subject to the provisions of subsection (2) above in the event that the Principal Component with respect to any of the Outstanding Certificates later becomes due or is declared due and payable, the moneys shall be applied in accordance with the provisions of subsection (1) above.

Waivers of Event of Default or Event of Nonappropriation

Subject to the provisions of the Indenture, the Trustee may waive any Event of Default or any Event of Nonappropriation under the Indenture and its consequences and rescind any declaration of maturity of Rental

Payments and Additional Payments, and shall do so upon the written request of the Owners of at least a majority in aggregate principal amount of all Certificates then Outstanding. In case of any such waiver or rescission, or in case any proceedings taken by the Trustee under the Indenture on account of any such Event of Default or Event of Nonappropriation are discontinued or abandoned for any reason, or are determined adversely, then and in every such case the Trustee and the Registered Owners shall be restored to their former positions, rights and obligations thereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default, or impair any right consequent thereon, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been undertaken.

Acceptance of the Trusts

The Trustee accepts the trusts imposed upon it by the Indenture, and agrees to perform said trusts as a prudent person, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into the Indenture against the Trustee.

Resignation of the Trustee

The Trustee and any successor Trustee may at any time resign from the trusts created by giving 30 days' written notice to the City and the Registered Owners whose names and addresses are on file with the Trustee, and such resignation shall take effect upon the earlier of (i) the end of such 30 days or (ii) the appointment of a successor Trustee by the City or by the Owners of at least a majority in aggregate stated Principal Components represented by the Certificates then Outstanding in accordance with the Indenture; provided, however, that in no event shall the resignation of a Trustee or successor Trustee become effective until such time as a successor Trustee has been appointed and has accepted the appointment in accordance with the Indenture. If at any time the Trustee shall cease to be eligible to act as trustee in accordance with the provisions of the Indenture, the Trustee shall immediately resign in the manner provided in the Indenture. In the event that the City or the Registered Owners of at least a majority in aggregate Principal Components represented by the Certificates then Outstanding fail to appoint a successor Trustee within 30 days after notice of resignation has been given by the Trustee, the Trustee shall have the right to petition a court to appoint a successor Trustee.

Removal of the Trustee

The Trustee may be removed at any time for any breach of trust or by an instrument or concurrent instruments in writing delivered (a) to the Trustee and the City and signed by the Registered Owners of not less than a majority in aggregate Principal Components represented by the Certificates then Outstanding, or (b) to the Trustee and the Registered Owners and signed by the City (so long as no Event of Default or Event of Nonappropriation shall have occurred and being continuing). In no event shall the removal of a Trustee or successor Trustee become effective until such time as a successor Trustee has been appointed and has accepted such appointment. In the event that the City or the Registered Owners of at least a majority in aggregate Principal Components represented by the Certificates then Outstanding fail to appoint a successor Trustee within 30 days after said instrument or concurrent instruments removing the Trustee are delivered to the Trustee, the Trustee shall have the right to petition a court to appoint a successor Trustee.

Appointment of Successor Trustee

In case the Trustee shall resign or be removed, or shall otherwise become incapable of acting, or in case it shall be taken under the control of any public officer or officers or of a receiver appointed by a court, a successor Trustee may be appointed by the Registered Owners of a majority in aggregate principal amount of Certificates then Outstanding by an instrument or concurrent instruments in writing; provided, nevertheless, that in case of such vacancy and so long as no Event of Default or Event of Nonappropriation under the Indenture shall have occurred and be continuing, the City, by an instrument executed and signed by its Mayor and attested by its City Clerk under its seal, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the Registered Owners or the City in the manner provided in the Indenture; and any such

temporary Trustee so appointed by the City shall immediately and without further act be superseded by the successor Trustee so appointed by such Registered Owners. Every such Trustee appointed shall warrant at the time of accepting such trust and exercising the powers of the Trustee under the Indenture that (i) it is a trust company or bank in good standing located in or incorporated under the laws of one of the states of the United States of America, (ii) it is duly authorized to exercise trust powers and is qualified to accept such trust, (iii) it is subject to examination by a federal or state authority, (iv) it shall maintain a reported capital and surplus of not less than \$75,000,000. If such institution publishes reports of conditions at least annually pursuant to law or regulation, then the capital and surplus of such institution shall be deemed to be its capital and surplus as set forth in its most recent report of condition so published.

Supplemental Indentures Not Requiring Consent of Registered Owners

The City and the Trustee may from time to time, subject to the provisions of the Indenture, without the consent of or notice to any of the Registered Owners, enter into a Supplemental Indenture or Supplemental Indentures not inconsistent with the terms and provisions of the Indenture, for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in the Indenture or make any other change which in the judgment of the Trustee is not prejudicial to the Trustee or materially adverse to the security of the Registered Owners (provided the Trustee is entitled to receive and rely upon an opinion of counsel in exercising such judgment);
- (b) To grant to or confer upon the Trustee for the benefit of the Registered Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Registered Owners or the Trustee or either of them;
- (c) To more precisely identify the Facilities or the Trust Estate or to add property thereto;
- (d) To subject to the Indenture additional revenues, properties or collateral;
- (e) To comply with the arbitrage rebate requirements of Section 148(f) of the Code; and
- (f) To deliver Additional Certificates as provided in the Indenture.

Supplemental Indentures Requiring Consent of Registered Owners

Exclusive of Supplemental Indentures not requiring the consent of the Registered Owners and subject to the terms and provisions contained in the Indenture, with the prior written consent of the Registered Owners of not less than a majority in aggregate Principal Components represented by the Certificates then Outstanding, the City and the Trustee shall have the right, from time to time, anything contained in the Indenture to the contrary notwithstanding, to execute such other Supplemental Indenture or Supplemental Indentures as shall be deemed necessary and desirable by the City for the purpose of modifying, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture or in any Supplemental Indenture; provided, however, that nothing shall permit or be construed as permitting without the consent of the Registered Owners of 100% in aggregate Principal Components represented by the Certificates then Outstanding (1) an extension of the maturity or mandatory prepayment date of any installment representing Principal or Interest Components with respect to any Certificate delivered under the Indenture, (2) a reduction in the Principal Component represented by any Certificate or the rate of interest with respect thereto, (3) a privilege or priority of any Certificate or Certificates over any other Certificate or Certificates, (4) a reduction in the aggregate Principal Components represented by the Certificates or (5) a change to the optional, extraordinary optional or special mandatory prepayment provisions in the Indenture.

Opinion of Counsel

Before the City and the Trustee enter into any Supplemental Indenture, there shall have been delivered to the City and the Trustee an Opinion of Special Counsel stating that such Supplemental Indenture is authorized or permitted by the Indenture, will upon the execution and delivery thereof be valid and binding upon the City in accordance with its terms, and will not adversely affect the validity of the Certificates or the exclusion from federal gross income of interest on any Certificates that have been delivered.

Amendments to the Lease Not Requiring Consent of Registered Owners

The City and the Trustee shall, without the consent of or notice to any of the Registered Owners, enter into any amendment, change or modification of the Lease as may be required (a) by the provisions of the Lease or the Indenture, (b) for the purpose of curing any ambiguity or formal defect or omission in the Lease or in connection with any other change therein which, in the judgment of the Trustee, is not to the prejudice of the Trustee or materially adverse to the security for the Registered Owners (provided the Trustee is entitled to receive and rely upon an opinion of counsel in exercising such judgment), (c) so as to more precisely identify the Property or add property thereto, or (d) in connection with the delivery of Additional Certificates under the Indenture.

Amendments to the Lease Requiring Consent of Registered Owners

Except for the amendments, changes or modifications not requiring the consent of the Registered Owners, neither the City nor the Trustee shall execute any other amendment, change or modification of the Lease without the giving of notice and the obtaining of the written approval or consent of the Registered Owners of not less than a majority in aggregate Principal Components represented by the Certificates at the time Outstanding given and obtained as provided in the Indenture.

Opinion of Counsel

Before the City and the Trustee consent to any amendment, change or modification of the Lease, there shall have been delivered to the City and the Trustee an Opinion of Special Counsel stating that the amendment, change or modification of the Lease is authorized or permitted by the Indenture and the instrument amended, changed or modified, will upon the execution and delivery thereof be valid and binding upon the City in accordance with its terms, and will not adversely affect the validity of the Certificates or the exclusion from federal gross income of interest on any Certificates that have been delivered.

Satisfaction and Discharge of the Indenture

When the Principal Components, premium, if any, and Interest Components with respect to all the Certificates shall have been paid in accordance with their terms or provision has been made for such payment, as provided in the Indenture, and provision has also been made for paying all other sums payable under the Indenture, including the fees, costs, charges and expenses of the Trustee and the Paying Agent to the date of retirement of the Certificates and all sums payable under the Lease, then the right, title and interest of the Trustee under the Indenture shall thereupon cease, determine and be void.

Certificates Deemed to be Paid

Certificates or any portion thereof shall be deemed to be paid when payment of the Principal Component, premium, if any, and Interest Component of the Rental Payments represented by the Certificates being paid to the due date thereof (whether such due date is by reason of maturity or upon prepayment as provided in the Indenture, or otherwise), either (1) shall have been made or caused to be made in accordance with the terms of the Indenture, or (2) provision therefor shall have been made by depositing with the Trustee or other duly authorized escrow agent, in trust and irrevocably setting aside exclusively for such payment, (i) moneys

sufficient to make such payment or (ii) Defeasance Obligations maturing as to principal and interest, without reinvestment, in such amount and at such times as will ensure the availability of sufficient moneys to make such payment. At such time as a Certificate shall be deemed to be paid under the Indenture as aforesaid, such Certificate shall no longer be secured by or be entitled to the benefits of the Indenture, except for the purposes of any such payment from such moneys or Defeasance Obligations. Notwithstanding the foregoing, in the case of any Certificate which by its terms may be prepaid prior to the stated maturity thereof, no deposit of moneys or Defeasance Obligations shall be deemed a payment of such Certificates as aforesaid until, as to all such Certificates which are to be prepaid prior to their respective stated maturities, (1) proper notice of such prepayment shall have been given in accordance with the Indenture or irrevocable instructions shall have been given to the Trustee to give such notice and (2) in the case of Certificates which do not mature or will not be prepaid within 90 days of such deposit, there shall have been delivered to the Trustee a verification report of an independent certified public accounting firm as to the adequacy of the trust funds to fully pay the Certificates deemed to be paid.

SUMMARY OF THE LEASE

The following is a summary of certain provisions of the Lease. The following is not a comprehensive description, however, and is qualified in its entirety by reference to the Lease for a full recital of the provisions thereof.

Lease Term

The Original Term of the Lease shall terminate the last day of the current Fiscal Year. The Lease Term may be continued, solely at the option of the City, at the end of the Original Term or any Renewal Term for an additional one-year, provided that the final Renewal Term shall not extend beyond September 30, 2038. At the end of the Original Term and at the end of each Renewal Term, unless the City has terminated the Lease pursuant to the Lease and for no other reason, the City shall be deemed to have exercised its option to continue the Lease for the next Renewal Term. The terms and conditions during any Renewal Term shall be the same as the terms and conditions during the Original Term, except for any difference in the Rent as provided in the Lease.

Continuation of Lease Term by City

The City reasonably believes that legally available funds in an amount sufficient to make all payments of Rent during the Original Term and each of the Renewal Terms can be obtained. The City further covenants that its responsible financial officer shall do all things lawfully to obtain and maintain funds from which the Rent may be paid, including making provision for such payments to the extent necessary in each proposed budget or appropriation request submitted for adoption in accordance with applicable provisions of law and to exhaust all available reviews and appeals in the event such portion of the budget or appropriation request is not approved. Notwithstanding the foregoing, the decision to budget and appropriate funds or to extend the Lease for any Renewal Term is to be made in accordance with the City's normal procedures for such decisions by the then current governing body of the City.

Nonappropriation

The City is obligated only to pay periodic payments under the Lease as may lawfully be made from Available Revenues. If an Event of Nonappropriation occurs, the Lease shall be deemed terminated at the end of then current Original Term or Renewal Term. An Event of Nonappropriation shall be deemed to have occurred if the City fails to budget, appropriate or otherwise provide for sufficient funds to pay Rental Payments and any reasonably anticipated Additional Payments to come due during the immediately following Renewal Term. The City agrees to deliver notice to the Trustee of such termination at least 90 days prior to the end of then current Original Term or Renewal Term, but failure to give such notice shall not extend the term beyond such Original Term or Renewal Term. If the Lease is terminated in accordance with this Section, the City agrees peaceably to transfer and surrender possession of the Property to the Trustee.

Rental Payments

The City shall promptly pay all Rental Payments, subject to the Lease, in lawful money of the United States of America to the Trustee on each Rental Payments Date in such amounts as are described on in the Lease. A portion of each Rental Payments Payment is paid as, and represents payment of, interest as set forth in the Lease (said interest to be attributable to the various Principal Components in accordance with the per annum rates set forth in the Lease). The City hereby agrees to pay the Rental Payments in accordance with the Lease.

To provide for the timely payment of Rental Payments, the City shall pay to the Trustee for deposit in the Certificate Fund not less than five business days before each Rental Payments Payment Date, the amount due on such Rental Payments Payment Date.

The City will, in accordance with the requirements of law and its normal budgeting procedures, fully budget and appropriate sufficient funds for the current Fiscal Year to make the Rent Payments scheduled to come due during the Original Term, and to meet its other obligations for the Original Term, and such funds will not be expended for other purposes.

Additional Payments

The City shall pay as Additional Payments (a) all Impositions; (b) all amounts required under the Lease and all other payments of whatever nature which the City has agreed to pay or assume under the Lease; (c) all expenses, including attorneys' fees and expenses to the extent permitted by law, incurred in connection with the enforcement of any rights under the Lease by the Trustee; (d) all fees, charges and expenses of the Trustee as further provided in the Lease, and (e) any payments required to be made pursuant to the Tax Compliance Agreements. Such amounts shall be paid directly to the person or entity owed.

Rent Payments to Constitute a Current Expense and Limited Obligation of the City

NOTWITHSTANDING ANY OTHER PROVISION OF THE LEASE, THE TRUSTEE AND THE CITY UNDERSTAND AND INTEND THAT THE OBLIGATION OF THE CITY TO PAY RENT UNDER THE LEASE BE LIMITED TO PAYMENT FROM AVAILABLE REVENUES AND SHALL CONSTITUTE A CURRENT EXPENSE OF THE CITY AND SHALL NOT IN ANY WAY BE CONSTRUED TO BE A DEBT OF THE CITY IN CONTRAVENTION OF ANY APPLICABLE CONSTITUTIONAL OR STATUTORY LIMITATION OR REQUIREMENT CONCERNING THE CREATION OF INDEBTEDNESS BY THE CITY, NOR SHALL ANYTHING CONTAINED IN THE LEASE CONSTITUTE A PLEDGE OF THE GENERAL TAX REVENUES, FUNDS OR MONEYS OF THE CITY, AND ALL PROVISIONS OF THE LEASE SHALL BE CONSTRUED SO AS TO GIVE EFFECT TO SUCH INTENT.

Advances

In the event the City shall fail to either maintain the insurance required by the Lease or keep the Property in good repair, the Trustee may, but shall be under no obligation to, purchase the required insurance and pay the cost of the premiums therefor and maintain and repair the Property and pay the cost thereof. All amounts so advanced by the Trustee shall constitute Additional Payments for the then current Original Term or Renewal Term, and the City covenants and agrees to pay such amounts so advanced by the Trustee with interest thereon from the due date until paid at the rate of 10% per annum or the maximum amount permitted by law, whichever is less.

Net Lease; Rent Payments to be Unconditional

THE LEASE IS INTENDED TO BE NET, NET, NET TO THE TRUSTEE, SUBJECT TO THE LEASE, AND THE OBLIGATIONS OF THE CITY TO MAKE PAYMENT OF THE RENT PAYMENTS AND TO PERFORM AND OBSERVE THE OTHER COVENANTS AND AGREEMENTS CONTAINED IN THE LEASE SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SETOFF OR DEFENSE, FOR ANY REASON, INCLUDING ANY FAILURE OF THE EQUIPMENT TO BE CONSTRUCTED OR INSTALLED, ANY DEFECTS, MALFUNCTIONS, BREAKDOWNS OR INFIRMITIES IN THE EQUIPMENT OR ANY ACCIDENT, CONDEMNATION OR UNFORESEEN CIRCUMSTANCES.

Nothing in the Lease shall be construed as a waiver by the City of any rights or claims the City may have against the Trustee under the Lease or otherwise, but any recovery upon such rights and claims shall be from the Trustee separately, it being the intent of the Lease that the City shall be unconditionally and absolutely obligated to perform fully all of its obligations, agreements and covenants under the Lease, including its obligation to pay Rental Payments and Additional Payments. The City may, however, at its own cost and expense and in its own name or in the name of the Trustee, prosecute or defend any action or proceeding or take

any other action involving third persons which the City deems reasonably necessary in order to secure or protect its right of possession, occupancy and use under the Lease, and in such event the Trustee agrees, subject to receipt by the Trustee of satisfactory indemnity in accordance with the Declaration of Trust, to cooperate fully with the City and to take all action necessary to effect the substitution of the City for the Trustee in any such action or proceeding if the City shall so request.

Acquisition, Construction and Installation

The City represents, warrants, covenants and agrees as follows:

- (a) It has entered into or will enter into Project Agreements providing for the undertaking and completion of the Project in accordance with the plans and specifications therefor;
- (b) It will cause the Project to be completed with all reasonable dispatch in accordance with the applicable provisions of the Lease;
- (c) All contracts entered into or to be entered into by the City relating to such work shall be in accordance with all applicable requirements of the laws of the State and shall have any payment and performance bonds required by the laws of the State;
- (d) It has obtained or shall obtain all necessary or required permits, licenses, consents and approvals that are material for the purchase, construction, installation, operation and maintenance of the Project and the Property and shall comply with all lawful requirements of any governmental body regarding the completion, use or condition of the Project or the Property, whether existing or later enacted or foreseen or unforeseen or whether involving any change in governmental policy or requiring structural or other change to the Property and irrespective of the cost of so complying;
- (e) It will pay all fees, costs and expenses incurred in completing the Project or, to the extent there are moneys in the Project Fund available therefor, will request the Trustee to make such payments from the Project Fund in the manner hereinafter and in the Indenture provided; and
- (f) It will ask, demand, sue for and use its best efforts to recover and receive such sums of money, debts or other demand to which it may be entitled under any contract, order, receipt, guaranty, warranty, writing or instruction in connection with the Project, and it will use its best efforts, to the extent economically reasonable, to enforce the provisions of any contract, agreement, obligation, bond or other security in connection therewith, and any such amounts received in connection with the foregoing, after deduction of expenses incurred in recovering such amounts, shall be paid to the Trustee for deposit in the Project Fund if the Completion Date has not occurred or for deposit in the Certificate Fund if the Completion Date has occurred.

If the Project or any portion thereof is delayed or fails to occur for any reason, there shall be no diminution in or postponement of the payments to be made by the City hereunder.

Payment for Acquisition, Construction and Installation of the Project

Costs and expenses of every nature incurred in connection with the Project that qualify as Costs of the Project shall be paid by the Trustee from the Project Fund upon receipt by the Trustee of a completed request of the City signed by the Authorized Representative of the City and containing the statements, representations and certifications set forth in the form of such request attached to the Indenture.

Completion Date; Excess Funds

The Completion Date shall be evidenced to the Trustee upon receipt by the Trustee of a certificate signed by the Authorized Representative of the City (the "Completion Certificate") stating (a) the date on which Project was substantially completed, (b) that all other facilities necessary in connection with the Property have been acquired, constructed and installed, (c) that the Property and such other facilities have been acquired, constructed and installed in accordance with the plans and specifications and in conformance with all applicable zoning, planning, building, environmental and other similar governmental regulations, (d) that, except for Costs of the Project described in accordance with clause (e), all Costs of the Project have been paid and (e) the amounts, if any, to be retained in the Project Fund for the payment of Costs of the Project, if any, not yet due or Costs of the Project whose liability the City is contesting, and amounts that otherwise should be retained and the reasons they should be retained. The Completion Certificate may state that it is given without prejudice to any rights of the City that then exist or may subsequently come into being against third parties. Any amounts remaining in the Project Fund that are not needed to pay any remaining Costs of the Project shall be transferred to the Certificate Fund.

Deficiency of Project Fund

If the Project Fund shall be insufficient to pay fully all Costs of the Project and to complete fully the Project lien free, the City shall pay, in cash, the full amount of any such deficiency by making payments directly to the contractors and to the suppliers of materials and services as the same shall become due. The Trustee is not obligated to pay and shall not be responsible for any such deficiency, and the City shall save the Trustee whole and harmless from any obligation to pay such deficiency.

Impositions

The City shall bear, pay and discharge, before the delinquency thereof, as Additional Payments, all taxes and assessments, general and special, if any, that may be lawfully taxed, charged, levied, assessed or imposed upon or against or be payable for or in respect of the Property, including any taxes and assessments not of the kind enumerated above to the extent that the same are lawfully made, levied or assessed in lieu of or in addition to taxes or assessments now customarily levied against real or personal property, and further including all water and sewer charges, assessments and other general governmental charges and impositions whatsoever, foreseen or unforeseen, which if not paid when due would impair the security of the Trustee or encumber the Property (all of the foregoing being therein referred to as "Impositions").

Contest of Impositions

The City shall have the right, in its own name or in the Trustee's name, to contest the validity or amount of any Imposition which the City is required to bear, pay and discharge pursuant to the terms of this Article by appropriate legal proceedings instituted at least ten days before the Imposition complained of becomes delinquent and may permit the Imposition so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Trustee shall notify the City that, in the opinion of counsel, by nonpayment of any such items the interest of the Trustee in the Property will be endangered or the Property or any part thereof will be subject to loss or forfeiture, in which event the City shall promptly pay such taxes, assessments or charges or provide the Trustee with full security against any loss which may result from nonpayment in form satisfactory to the Trustee. The Trustee agrees to cooperate with the City in connection with any and all administrative or judicial proceedings related to Impositions. The City shall hold the Trustee whole and harmless from any costs and expenses the Trustee may incur with respect to any Imposition.

Insurance Required

The City shall, during the Lease Term, cause the Property to be kept continuously insured against such risks customarily insured against for property such as the Property and shall pay (except as otherwise provided therein), as the same become due, all premiums in respect thereof, such insurance to include the following policies of insurance:

(a) Insurance insuring the Property against loss or damage by fire, lightning and all other risks covered by the extended coverage insurance endorsement then in use in the State in an amount not less than the replacement value of the Property and issued by such insurance company or companies authorized to do business in the State as may be selected by the City. The replacement value of the Property may be determined from time to time at the request of the City (but not less frequently than every three years) by an architect, contractor, appraiser, appraisal company or one of the insurers, to be selected, subject to the insurer's approval, and paid by the City. The policy or policies of such insurance shall name the City and the Trustee as insureds, as their respective interests may appear. All proceeds from such policies of insurance shall be applied as provided in the Lease.

(b) Comprehensive general accident and public liability insurance (including coverage for all losses whatsoever arising from the ownership, maintenance, operation or use of any automobile, truck or other motor vehicle), under which the City and the Trustee are named as insureds, in an amount not less than the limits of liability set by Section 537.610 of the Revised Statutes of Missouri (subject to reasonable loss deductible clauses).

(c) Workers' compensation and unemployment coverages to the extent, if any, required by the laws of the State.

Nothing in the Lease shall be construed as preventing the City from satisfying the insurance requirements in the Lease set forth by using blanket policies of insurance provided each and all of the requirements and specifications of the Lease respecting insurance are complied with.

Maintenance and Modification of Property by the City

The City will at its own expense (a) keep the Property in a safe condition, (b) with respect to the Property, comply with all applicable health and safety standards and all other industrial requirements or restrictions enacted or promulgated by the State, or any political subdivision or agency thereof, or by the government of the United States of America or any agency thereof, and (c) keep the Property in good repair and in good operating condition and make from time to time all necessary repairs thereto and renewals and replacements thereof; provided, however, that the City will have no obligation to operate, maintain, preserve, repair, replace or renew any element or unit of the Property, the maintenance, repair, replacement or renewal of which becomes uneconomical to the City because of damage, destruction or obsolescence, or change in economic or business conditions, or change in government standards and regulations. The City shall not permit or suffer others to commit a nuisance in or about the Property or itself commit a nuisance in connection with its use or occupancy of the Property. The City will pay all costs and expenses of operation of the Property.

The City may, also at its own expense, make from time to time any additions, modifications or improvements to the Property that it may deem desirable for its business purposes and that do not materially impair the structural strength or effective use, or materially decrease the value, of the Property. All additions, modifications or improvements made by the City pursuant to the authority of this Section shall (a) be made in a workmanlike manner and in strict compliance with all laws and ordinances applicable thereto, (b) when

commenced, be pursued to completion with due diligence and (c) when completed, be deemed a part of the Property.

During the Lease Term, the Property will be used by the City only for the purpose of performing governmental or proprietary functions of the City consistent with the permissible scope of the City's authority.

Damage, Destruction and Condemnation

The City shall bear the risk of loss with respect to the Property during the Lease Term. If (a) the Property or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty or (b) title to, or the temporary use of, the Property or any part thereof shall be nonexistent or deficient or taken under the exercise or threat of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority (other than the City), the City and the Trustee will cause the Net Proceeds of any insurance claim, condemnation award or sale under threat of condemnation to be applied to the prompt replacement, repair, restoration, modification or improvement of the Property. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to the City and shall be held and appropriated by the City for the exclusive purpose of paying Rent under the Lease.

If the City determines that the repair, restoration, modification or improvement of the Property is not economically feasible or in the best interest of the City, then, in lieu of making such repair, restoration, modification or improvement and if permitted by law, the City shall deposit such Net Proceeds in the Certificate Fund to be applied to the payment of Rent under the Lease.

Assignment and Subleasing by the County

Except as expressly provided in the Lease, none of the City's right, title and interest in, to and under the Lease and in the Property may be assigned or encumbered by the City for any reason; except that the City may sublease, or grant licenses to use, any one or more parts of the Property if the City obtains an opinion of Special Counsel that such subleasing will not adversely affect the exclusion of the Interest Component of the Rental Payments from gross income for purposes of federal income taxation. Any such sublease or license of all or part of the Property shall be subject to the Lease and the rights of the Trustee in, to and under the Lease and the Property.

Events of Default Defined

Any of the following shall constitute an "Event of Default" under the Lease:

(a) Failure by the City to make any deposits required by the Lease to pay Rental Payments in the Certificate Fund at the time specified in the Lease;

(b) Failure by the City to make any Additional Payments Payment when due and the continuance of such failure for ten days after written notice specifying such failure and requesting that it be remedied is given to the City by the Trustee;

(c) Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, other than as referred to in subparagraph (a) or (b) above, for a period of 30 days after written notice specifying such failure and requesting that it be remedied is given to the City by the Trustee unless such party shall agree in writing to an extension of such time prior to its expiration; provided that, if the failure stated in the notice cannot be corrected within the

applicable period, such party will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the City within the applicable period and diligently pursued until the default is corrected;

(d) Any statement, representation or warranty made by the City in or pursuant to the Lease or the execution, delivery or performance of either of them shall prove to have been false, incorrect, misleading or breached in any material respect on the date when made;

(e) Any provision of the Lease shall at any time for any reason cease to be valid and binding on the City, or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by the City or any governmental agency or authority if the loss of such provision would materially adversely affect the rights or security of the Trustee; or

(f) The City becomes insolvent or admits in writing its inability to pay its debts as they mature or applies for, consents to, or acquiesces in the appointment of a trustee, receiver or custodian for the City or a substantial part of its property; or in the absence of such application, consent or acquiescence, a trustee, receiver or custodian for the City or a substantial part of its property; or in the absence of such application, consent or acquiescence, a trustee, receiver or custodian is appointed by the City or a substantial part of its property and is not discharged within 60 days; or any bankruptcy, reorganization, debt arrangement, moratorium or any proceeding under bankruptcy or insolvency law, or any dissolution or liquidation proceeding, is instituted by or against the City and, if instituted against the City, is consented to or acquiesced in by the City or is not dismissed within 60 days.

Remedies on Default

Whenever any Event of Default exists, the Trustee shall have the right, without any further demand or notice, to take one or any combination of the following remedial steps:

(a) By written notice to the City, the Trustee may declare all Rent payable by the City hereunder to the end of then current Original Term or Renewal Term to be due;

(b) With or without terminating the Lease, the Trustee may take possession of the Property and sell the Property or lease the Property or, for the account of the City, sublease the Property continuing to hold the City liable for the difference between (a) the Rent payable by the City hereunder for then current Original Term or Renewal Term, as the case may be, and (b) the net proceeds of any such sale, leasing or subleasing (after deducting all expenses of the Trustee in exercising its remedies under this Lease, including without limitation all expenses of taking possession, removing, storing, reconditioning, and selling or leasing or subleasing the Property and all reasonable brokerage, auctioneers and attorneys' fees);

(c) The Trustee may terminate any rights the City may have in any funds held by the Trustee under the Indenture; and

(d) The Trustee may take whatever action at law or in equity necessary or desirable to enforce its rights in the Property and under the Lease.

* * *

APPENDIX D

CONTINUING DISCLOSURE CERTIFICATE

Dated as of December 1, 2019

By

CITY OF MARYVILLE, MISSOURI

relating to

\$5,045,000
CITY OF MARYVILLE, MISSOURI
REFUNDING AND IMPROVEMENT CERTIFICATES OF PARTICIPATION
SERIES 2019

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate dated as of December 1, 2019 (the “**Continuing Disclosure Certificate**”), is executed and delivered by **CITY OF MARYVILLE, MISSOURI** (the “**Issuer**”).

RECITALS

1. This Continuing Disclosure Certificate is executed and delivered by the Issuer in connection with the delivery by the Issuer of \$5,045,000 original principal amount of Refunding and Improvement Certificates of Participation, Series 2019 (the “**Certificates**”), pursuant to a Trust Indenture dated as of the date hereof (the “**Indenture**”) and executed by the Issuer and UMB Bank, N.A. (the “**Trustee**”), in connection with the delivery of the Certificates (the “**Indenture**”).

2. The Issuer is entering into this Continuing Disclosure Certificate for the benefit of the Beneficial Owners (defined hereafter) of the Certificates and in order to assist the Participating Underwriter (defined hereafter) 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**” (as defined by the Rule) with responsibility for continuing disclosure under this Continuing Disclosure Certificate.

The Issuer covenants and agrees as follows:

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

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

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

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

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

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

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

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

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

Section 2. Provision of Annual Reports.

(a) The Issuer shall, not later than the last day of the **sixth** month after the end of the Issuer’s Fiscal Year, commencing with the Fiscal Year ended September 30, 2019, provide to 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. If audited financial statements are not available by the time the Annual Report is required to be filed 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 Certificates, and the audited financial statements shall be filed in the same manner as the Annual Report promptly after they become available. The audited financial statements of the Issuer are currently prepared on the accrual basis of accounting. If the Issuer changes the format of its 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.
- (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 Certificates, 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), that have been filed with the MSRB and are available through EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB on EMMA. The Issuer shall clearly identify each such other document so included by reference.

In each case, the Annual Report may be filed as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section; provided that the audited financial statements of the Issuer may be filed separately

from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. 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**.

- (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. No 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 Certificates ("**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 Certificates, or other material events affecting the tax status of the Certificates;
- (7) modifications to rights of holders of the Certificates, if material;
- (8) Certificate calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Certificates, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, 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 Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, 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 Issuer, any of which reflect financial difficulties.

If the Issuer has not filed the Annual Report to the MSRB by the date required in **Section 2(a)**, the Issuer shall send a timely 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 Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Certificates. If the Issuer's obligations under this Continuing Disclosure Certificate are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Certificate in the same manner as if it were the Issuer, and the Issuer shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Certificates, 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 Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the Issuer pursuant to this Continuing Disclosure Certificate.

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

In the event of any amendment or waiver of a provision of this Continuing Disclosure Certificate, 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 Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that required by this Continuing Disclosure Certificate. If the 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 Certificate, the Issuer shall have no obligation under this Continuing Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 8. Default. If the Issuer fails to comply with any provision of this Continuing Disclosure Certificate, any Participating Underwriter or any Beneficial Owner of the Certificates 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 Certificate. A default under this Continuing Disclosure Certificate shall not be deemed an event of default under the

Indenture or the Certificates, and the sole remedy under this Continuing Disclosure Certificate in the event of any failure of the Issuer to comply with this Continuing Disclosure Certificate shall be an action to compel performance.

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

Section 10. Severability. If any provision in this Continuing Disclosure Certificate, the Indenture or the Certificates 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 stored, received or delivered by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

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

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

CITY OF MARYVILLE, MISSOURI

By: _____
Name: Rachael Martin
Title: Mayor

**EXHIBIT A
TO CONTINUING DISCLOSURE CERTIFICATE**

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

The financial information and operating data contained in the following sections and tables contained in Appendix A to the final Official Statement relating to the Certificates:

DEBT STRUCTURE OF THE CITY

Current Indebtedness of the City

Other Obligations

Legal Debt Capacity

HISTORY AND OPERATION OF THE COMBINED WATERWORKS AND
SEWERAGE SYSTEM

Net Revenues Available for Debt Service

FINANCIAL INFORMATION CONCERNING THE CITY

Sources of Revenue

Property Valuations

History of Property Valuation

Retail Sales Taxes

Tax Rates – *The table showing tax levies*

Tax Collection Record