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
BANK QUALIFIED **S&P RATING: "AA"**
BOOK-ENTRY-ONLY **See "RATING" herein.**

In the opinion of Gilmore & Bell, P.C., Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), (1) the interest on the 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 Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. See "TAX MATTERS" in this Official Statement.

OFFICIAL STATEMENT

$2,445,000
KEARNEY FIRE AND RESCUE PROTECTION DISTRICT
OF CLAY COUNTY, MISSOURI
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2018

Dated: Date of Delivery **Due: September 1, as shown on the inside cover page**

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

The Bonds will be issued in the denomination of $5,000 or any integral multiple thereof. Semiannual interest will be payable on March 1 and September 1, beginning on March 1, 2019. Principal will be payable upon presentation and surrender of the Bonds by the registered owners thereof at the payment office of UMB Bank, N.A., (the "Paying Agent"). Interest will be payable by check or draft of the Paying Agent mailed (or by electronic transfer in certain circumstances as described herein) to the persons who are the registered owners of the Bonds as of the close of business on the fifteenth day of the month preceding the interest payment date. So long as DTC or its nominee, Cede & Co., is the Bondowner, such payments will be made directly to such Bondowner. DTC is expected, in turn, to remit such payments to the DTC Participants (herein defined) for subsequent disbursement to the Beneficial Owners.

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

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

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

The Bonds are offered when, as and if issued by the District, subject to the approval of legality by Gilmore & Bell, P.C., Kansas City, Missouri, Bond Counsel. Certain legal matters related to the Official Statement will be passed upon by Gilmore & Bell, P.C., Kansas City, Missouri. It is expected that the Bonds will be available for delivery at The Depository Trust Company in New York, New York, on or about June 5, 2018.

FBBS
FIRST BANKERS' BANC SECURITIES, INC.

The date of this Official Statement is April 16, 2018.

$2,445,000
KEARNEY FIRE AND RESCUE PROTECTION DISTRICT
OF CLAY COUNTY, MISSOURI
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2018

MATURITY SCHEDULE

Serial Bonds

Due September 1	Principal Amount	Interest Rate	Price	Yield
2019	$185,000	3.500%	102.133%	1.750%
2020	215,000	3.500	103.600	1.850
2021	235,000	3.250	104.059	1.950
2022	260,000	3.250	104.846	2.050
2023	275,000	3.250	105.420	2.150
2024	300,000	2.250	100.000	2.250
2025	320,000	2.400	100.000	2.400
2026	340,000	2.500	100.000	2.500
2027	315,000	2.600	100.000	2.600

KEARNEY FIRE AND RESCUE PROTECTION DISTRICT
OF CLAY COUNTY, MISSOURI

201 E 6th Street
Kearney, MO 64060
(816) 628-4122

BOARD OF DIRECTORS

Todd Gustafson, Chairman, President and Director
Mike Maher, Director
Kim Murphy, Director
Ted Jacques, Director
Dale Ahle, Director

ADMINISTRATIVE

Kevin Pratt, Fire Chief
Mike Desautels, Deputy Fire Chief
Jeff Fort, Fire Marshall
Rhonda Fort, Secretary/Treasurer

CERTIFIED PUBLIC ACCOUNTANT

Novak Birks, PC
Kansas City, Missouri

MUNICIPAL ADVISOR

Piper Jaffray & Co.
Leawood, Kansas

BOND COUNSEL

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

REGARDING USE OF THIS OFFICIAL STATEMENT

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

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

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

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

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

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

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS, INCLUDING THOSE DESCRIBED UNDER "RISK FACTORS" HEREIN, THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. NEITHER THE DISTRICT 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

$2,445,000
KEARNEY FIRE AND RESCUE PROTECTION DISTRICT
OF CLAY COUNTY, MISSOURI
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2018

INTRODUCTION

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

Purpose of the Official Statement

The purpose of this Official Statement is to furnish information relating to (1) the Kearney Fire and Rescue Protection District of Clay County, Missouri (the "District") and (2) the District's General Obligation Refunding Bonds, Series 2018 (the "Bonds"), to be issued in the aggregate principal amount of $2,445,000 to provide funds to currently refund the General Obligation Bonds Series 2010 (the "Series 2010 Bonds") maturing in 2019 and thereafter (the portion of the Series 2010 Bonds to be refunded being the "Refunded Bonds") of the District and pay costs related to the issuance of the Bonds and the refunding of the Refunded Bonds.

The District

The District is a fire protection district and political subdivision organized and existing under the laws of the State of Missouri. See the caption **"THE DISTRICT"** herein.

The Bonds

The Bonds are being issued pursuant to a resolution (the "Bond Resolution") adopted by the governing body of the District for the purpose of currently refunding the Refunded Bonds to be redeemed on September 1, 2018. See the caption **"THE BONDS"** herein.

Security and Source of Payment

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

Financial Statements

Audited financial statements of the District, as of and for the year ended December 31, 2016 are included in ***Appendix B*** to this Official Statement. These financial statements have been audited by Novak Birks, PC, Kansas City, Missouri, independent certified public accountants, to the extent and for the periods indicated in their report, which is also included in ***Appendix B*** to this Official Statement.

Continuing Disclosure

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

THE DISTRICT

The District is a political subdivision formed with voter approval in 1990, duly created and existing under the provisions of Chapter 321 of the Revised Statutes of Missouri, as amended. The District is approximately 85 square miles in area and is located in the north-central portion of Clay County, Missouri, in the northwest part of the State of Missouri. Additional information regarding the District may be obtained from the District office at 201 E 6th St. Kearney, MO 64060. See **"APPENDIX A: THE DISTRICT"** and **"APPENDIX B: ACCOUNTANT'S REPORT AND AUDITED FINANCIAL STATEMENTS."**

PLAN OF FINANCING

Authorization and Purpose of the Bonds

The Bonds are authorized pursuant to and in full compliance with the Constitution and statutes of the State of Missouri, including particularly Article VI, Sections 26 and 28 of the Missouri Constitution, Chapters 321 and 108 of the Revised Statutes of Missouri, as amended and the Bond Resolution.

Refunding of Refunded Bonds

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

Series 2010 Bonds*

Serial Bonds

Maturity September 1	Principal Amount
2019	$195,000
2020	210,000
2021	230,000
2022	250,000
2023	270,000
2024	295,000
2025	320,000
2026	345,000
2027	325,000

* The Refunded Bonds are callable on September 1, 2018.

Sources and Uses of Funds

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

Sources of Funds:	
Par Amount of the Bonds	$2,445,000.00
Net Original Issue Premium	48,729.30
Other Sources of Funds	44,521.25
Total	$2,538,250.55
Uses of Funds:	
Deposit for Redemption of the Refunded Bonds	$2,474,384.69
Costs of Issuance including Underwriter's Discount	63,865.86
Total	$2,538,250.55

THE BONDS

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

General Description

The Bonds will be issued in the principal amounts stated on the inside cover page of this Official Statement, will be dated their date of delivery, and will consist of fully registered bonds without coupons in the denomination of $5,000 or any integral multiple thereof. The Bonds will mature, subject to redemption as described below, on September 1 in the years and in the principal amounts set forth on the inside cover page of this Official Statement. Interest on the Bonds will be payable semiannually on March 1 and September 1 in each year, beginning on March 1, 2019. Principal will be payable upon presentation and surrender of the Bonds by the Registered Owners thereof at the payment office of UMB Bank, N.A. (the "Paying Agent"). Interest shall be paid to the Registered Owners of the Bonds as shown on the Bond Register at the close of business on the Record Date for such interest (a) by check or draft mailed by the Paying Agent to the address of such Registered Owners shown on the Bond Register, (b) at such other address as is furnished to the Paying Agent in writing by any Registered Owner or (c) in the case of an interest payment to any Registered Owner of $500,000 or more in aggregate principal amount of Bonds, by electronic transfer to such Registered Owner upon written notice given to the Paying Agent by such Registered Owner, not less than 5 days prior to the Record Date for such interest, containing the electronic transfer instructions including the 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.

Redemption Provisions

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

Selection of Bonds to be Redeemed. Bonds shall be redeemed only in $5,000 principal amounts or multiples thereof. When less than all of the Outstanding Bonds are to be redeemed and paid prior to maturity, such Bonds shall be redeemed from the maturities selected by the District, and Bonds of less than a full maturity shall be selected by the Paying Agent in $5,000 units of principal amount in such equitable manner as the Paying Agent may determine.

Notice and Effect of Call for Redemption. In the event of any such redemption, the Paying Agent will give written notice of the District's intention to redeem and pay said Bonds by first-class mail to the State Auditor of Missouri, to the original purchaser of the Bonds, and to the Registered Owner of each Bond, said notice to be mailed not less than 20 days prior to the redemption date. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall become due and payable on the redemption date, at the redemption price therein specified, and from and after the redemption date (unless the District defaults in the payment of the redemption price) such Bonds or portion of Bonds shall cease to bear interest.

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

Registration, Transfer and Exchange of Bonds

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

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General Obligations

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

The Bond Resolution

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

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

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

RISK FACTORS

General

The following is a discussion of certain risks that could affect the payments to be made by the District with respect to the Bonds. In order to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement (including the appendices hereto) in order to make a judgment as to whether the Bonds are an appropriate investment. Prospective purchasers of the Bonds should consider carefully all possible factors that may result in a default in the payment of the Bonds, the redemption of the Bonds prior to maturity or the determination that the interest on the Bonds might be deemed taxable for purposes of federal and Missouri income taxation. **This discussion of risk factors is not, and is not intended to be, comprehensive or exhaustive.**

Ad Valorem Property Taxes

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

Concentration of property ownership in the District would expose the District's ability to collect ad valorem property taxes to the financial strength and ability and willingness of major taxpayers to pay property taxes. See **"FINANCIAL INFORMATION CONCERNING THE DISTRICT – Major Real and Personal Property Taxpayers"** in ***Appendix A*** of this Official Statement.

Secondary Market Prices and Liquidity

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

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

No Reserve Fund or Credit Enhancement

No debt service reserve fund will be funded and no financial guaranty insurance policy, letter of credit or other credit enhancement will be issued to insure payment of the Bonds. Accordingly, any potential purchaser of the Bonds should consider the financial ability of the District to pay the Bonds. As described under **"SECURITY**

AND SOURCES OF PAYMENT FOR THE BONDS – The Bond Resolution” in this Official Statement, the District has irrevocably pledged its full faith, credit and resources for the prompt payment of the Bonds and levied a direct annual tax, without limitation, sufficient to pay principal and interest on the Bonds on all taxable tangible property in the District.

Bankruptcy

In addition to the limitations on remedies contained in the Bond Resolution, the rights and remedies provided by the Bonds may be limited by and are subject to (i) bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws affecting creditors' rights, (ii) the application of equitable principles, and (iii) the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against political subdivisions in the State of Missouri. The District, like all other Missouri political subdivisions, is specifically authorized by Missouri law to institute proceedings under Chapter 9 of the Federal Bankruptcy Code. Such proceedings, if commenced, are likely to have an adverse effect on the market price of the Bonds.

Pension

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

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

Amendment of the Bond Resolution

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

Loss of Premium from Redemption

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

Tax-Exempt Status and Risk of Audit

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

The Internal Revenue Service (the “IRS”) has established an ongoing program to audit tax-exempt obligations to determine whether interest on such obligations should be included in gross income for federal income tax purposes. Owners of the Bonds are advised that, if an audit of the Bonds were commenced, the

IRS, in accordance with its current published procedures, is likely to treat the District as the taxpayer, and the owners of the Bonds may not have a right to participate in such audit. Public awareness of any audit could adversely affect the market value and liquidity of the Bonds during the pendency of the audit, regardless of the ultimate outcome of the audit.

Defeasance Risks

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

THE BOOK-ENTRY ONLY SYSTEM

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

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

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

Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

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

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

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

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

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

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

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

Transfer Outside Book-Entry Only System

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

LEGAL MATTERS

Legal Proceedings

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

Approval of Legality

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

TAX MATTERS

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

Opinion of Bond Counsel

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

Federal and Missouri Tax Exemption. The interest on the Bonds is excludable from gross income for federal income tax purposes and is exempt from income taxation by the State of Missouri.

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

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

Bond Counsel's opinions are provided as of the date of the original issue of the Bonds, subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal and Missouri income tax purposes. The District has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal and State of Missouri income tax purposes retroactive to the date of issuance of the Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Bonds but has reviewed the discussion under the section herein captioned **"TAX MATTERS."**

Other Tax Consequences

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

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

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

Collateral Federal Income Tax Consequences. Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Bonds, including the possible application of state, local, foreign and other tax laws.

CONTINUING DISCLOSURE

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

Pursuant to the Continuing Disclosure Certificate, the District will not later than the **June 30th** immediately following the end of the District'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 District for the prior fiscal year. If audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in this Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report promptly after they become available. The audited financial statements of the District are currently prepared in conformity with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America as applied to government units. If the District 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 DISTRICT
- Current Indebtedness of the District
- History of Indebtedness
- Legal Debt Capacity

FINANCIAL INFORMATION CONCERNING THE DISTRICT
- Sources of Revenue
- Property Valuations
  - *Current Assessed Valuation*
  - *History of Property Valuation*
- Tax Rates
  - (The table showing the District's tax levies)
- Tax Collection Record

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

(1) principal and interest payment delinquencies;
(2) non-payment related defaults, if material;
(3) unscheduled draws on debt service reserves reflecting financial difficulties;
(4) unscheduled draws on credit enhancements reflecting financial difficulties;
(5) substitution of credit or liquidity providers, or their failure to perform;
(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
(7) modifications to rights of bondholders, if material;
(8) bond calls, if material, and tender offers;
(9) defeasances;

(10) release, substitution or sale of property securing repayment of the Bonds, if material;
(11) rating changes;
(12) bankruptcy, insolvency, receivership or similar event of the District;
(13) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
(14) appointment of a successor or additional trustee or the change of name of the trustee, if material.

Notwithstanding any other provision of the Continuing Disclosure Certificate, the District 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 District with its opinion that the undertaking of the District, 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 District 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 District 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 Resolution or the Bonds, and the sole remedy under the Continuing Disclosure Certificate in the event of any failure of the District to comply with the Continuing Disclosure Certificate will be an action to compel performance.

The District has previously engaged in undertakings similar to the Continuing Disclosure Certificate to provide to the national information repositories (presently, only the MSRB) the audited financial statements of the District and updates of certain operating data of the District (collectively, the "Annual Report"). Over the last five years (i.e., for the fiscal years ended December 31, 2012 through December 31, 2016), the District has timely filed its audited financial statements. Over the last five years, the District did not timely file certain operating data updates required for the fiscal years ended December 31, 2012 and 2013. The District has failed to file corresponding notices of its failures to file and/or timely file. The District has updated its filings with respect to its prior outstanding undertaking by filing a supplement that includes the required operating data. These materials are available at www.emma.msrb.org.

Electronic Municipal Market Access System (EMMA)

All Annual Reports and notices of Material Events required to be filed by the District 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 District or the Bonds is incorporated by reference in this Official Statement.

RATING

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

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

MISCELLANEOUS

Municipal Advisor

Piper Jaffray & Co. (the "Municipal Advisor") has acted as Municipal Advisor to the District in connection with the sale of the Bonds. The Municipal Advisor has assisted the District in matters relating to the planning, structuring and issuance of the Bonds 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 Bonds.

Underwriting

Based upon bids received by the District on April 16, 2018 pursuant to the Notice of Sale dated April 3, 2018, the Bonds were awarded to First Bankers' Banc Securities, Inc. (the "Underwriter"). The Bonds are being purchased for reoffering by the Underwriter. The Underwriter has agreed to purchase the Bonds from the District at a price equal to $2,481,748.80 (representing the par amount of the Bonds less an underwriter's discount of $11,980.50 and plus original issue premium of $48,729.30). The Underwriter is purchasing the Bonds from the District for resale in the normal course of the Underwriter's business activities. The Underwriter may sell certain of the Bonds at a price greater than such purchase price, as shown on the inside cover page hereof. The Underwriter reserves the right to offer any of the Bonds to one or more purchasers on such terms and conditions and at such price or prices as the Underwriter, in its discretion, shall determine. The Underwriter reserves the right to join with dealers and other purchasers in offering the Bonds to the public. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) at prices lower than the public offering prices.

Certification and Other Matters Regarding Official Statement

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

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

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

KEARNEY FIRE AND RESCUE PROTECTION DISTRICT OF CLAY COUNTY, MISSOURI

By: /s/ Todd Gustafson
Chairman of the Board of Directors

APPENDIX A

THE DISTRICT

TABLE OF CONTENTS

GENERAL AND DEMOGRAPHIC INFORMATION*

General

The District was incorporated in 1990 as a fire protection district under the laws of the State of Missouri. At the time of its incorporation, the District assumed the services and facilities of the City of Kearney Fire Department which originally formed in 1981. Additional information regarding the District can be obtained by contacting the Fire Chief – District Office, 201 East Sixth Street, Kearney, Missouri 64060 or by telephoning (816) 628-4122.

The District is located in north-central Clay County, Missouri approximately 24 miles north of metropolitan Kansas City, Missouri. The District covers approximately 85 square miles and encompasses the entire city of Kearney, Missouri. The District borders the City of Liberty, Missouri and the Fishing River Fire District to the South; Kansas City, Missouri and Smithville Area Fire District to the West; the City of Excelsior Springs, Missouri and Lawson Fire District to the East; and Holt Community Fire District to the North. The District's estimated population is approximately 19,000.

The District provides fire, rescue and ALS ambulance services out of its headquarters station and District Office at 201 East Sixth Street. In addition to miscellaneous emergency equipment, the District owns and operates two ambulances, two pumper trucks, one tanker truck, one aerial ladder truck and two brush fire fighting trucks.

Governmental Organization

The District is governed by a Board of Directors and exercises all powers of government specifically granted by the State of Missouri. The Board of Directors is composed of five members who are elected to serve staggered six-year terms without restriction as to reelection. The Board of Directors elects one of its members to serve as Chairman for a term of one year without restriction as to reelection. The Chairman presides over all meetings. The Board of Directors appoints the District Secretary / Treasurer who assists the Chairman and Board of Directors in conducting District business in an orderly, efficient and economical manner. The Fire Chief and the District Secretary / Treasurer work with the Chairman and Board of Directors in preparing the budget each year. As required by state law, the aggregate District budget may not include any expenditure in excess of anticipated revenues plus any unencumbered balances. The District's fiscal year ends on December 31.

The Chairman and current members of the Board of Directors are as follows:

Office	Name	Term Expires
Chairman	Todd Gustafson	April 2019
Director	Mike Maher	April 2021
Director	Kim Murphy	April 2021
Director	Ted Jacques	April 2023
Director	Dale Ahle	April 2019

* Insofar as the District serves the City of Kearney, Missouri and the surrounding area, portions of the general and demographic information contained in this appendix relates, as noted, specifically to the City of Kearney, Missouri.

The District holds regular monthly meetings on the 3rd Monday of each month at 6:30 P.M. at the District Office. The Chairman may call special meetings if necessary. A majority of members of the Board of Directors is considered a quorum and no act is valid unless approved by a majority of the members.

Employees. The District is comprised of a staff of 4 career administrative personnel including Chief, Deputy Chief, Fire Marshall and administrative assistant; 24 career shift personnel all dual trained and certified in fire and EMS; and approximately 25 volunteers. Under Missouri law, employees of the District do not have the authority to bargain collectively. State law permits employees to have "meet and confer rights." The District has not had any significant labor disputes.

Pension and Employee Retirement Plans. The District 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, 2017 (the **"2017 LAGERS CAFR"**) is available at http://www.molagers.org/financial.html. The link to the 2017 LAGERS CAFR is provided for general background information only, and the information in the 2017 LAGERS CAFR is not incorporated by reference into this Official Statement. The 2017 LAGERS CAFR provides detailed information about LAGERS, including its financial position, investment policy and performance information, actuarial information and assumptions affecting plan design and policies, and certain statistical information about the plan.

For information specific to the District's participation in LAGERS, including the District's past contributions, net pension liability and related sensitivities, and pension expense, see **Note H** to the District's financial statements included in Appendix B to this Official Statement. For additional information regarding LAGERS, see the 2017 LAGERS CAFR.

Other Postemployment Benefits. In addition to pensions, many state and local governments, including the District, provide other postemployment benefits ("OPEB") as part of the total compensation offered to attract and retain the services of qualified employees. For information specific to the District's OPEB obligations, including the District's past contributions relative to its required contributions, its assumptions as to future healthcare and other costs and its unfunded actuarial accrued liability, see **Note G** to the City's financial statements included in Appendix B to this Official Statement.

ISO Rating

The District provides its residents an Insurance Services Office (ISO) rating of three within five road miles of the District's Fire Station, or neighboring jurisdictions on the District's automatic aid response. In areas that are more than five miles but within seven miles of the District's Fire Station, a rating of 10W has been issued.

Community Services

Utilities. The City of Kearney, Missouri operates a combined waterworks and sewerage system that serves its residents, and a number of water districts provide water service to other residents within the boundaries of the District. Electric service within the District is provided by Platte-Clay Electric Cooperative and Ameren UE and gas service is provided by Spire Inc. Both Ameren UE and Spire Inc. are regulated by the Missouri Public Service Commission.

Transportation and Communication. A section of U.S. Interstate 35 runs through the District. Several motor freight carriers serve the District. Commercial air service is available at Kansas City International Airport, a full-service airport with daily commercial flights, located approximately 20 miles southwest of the District. The District is served by television, radio stations and telecable systems. The Kearney Courier provides local newspaper coverage.

Educational Institutions and Facilities. The Kearney R-I School District (the "School District") serves a majority of the District and currently holds an "accredited" rating from the State of Missouri Department of Elementary and Secondary Education, which is the highest rating attainable. The School District encompasses four elementary schools, one middle school, one junior high school and one high school with a total enrollment of over 3,400 students. The District is also partially served by the Liberty School District. Many colleges and universities available for undergraduate, graduate and continuing education in the nearby Kansas City metropolitan area.

Medical and Health Facilities. The District is served by several hospitals throughout Clay County and the Kansas City metropolitan area which provide inpatient/outpatient facilities as well as a full range of diagnostic and therapeutic services.

General and Demographic Information

The following tables set forth certain population information.

	1990	**2000**	**2010**	**2016**
City of Kearney	1,790	5,472	8,381	9,259
Clay County	153,411	184,006	221,939	233,135
State of Missouri	5,117,073	5,595,211	5,988,927	6,059,651

Source: U.S. Bureau of the Census, 2012-2016 American Community Survey 5-Year Estimates

Population Distribution by Age

Age	**City of Kearney**	**Clay County**	**State of Missouri**
Under 5	593	15,621	374,010
5-19 years	2,589	47,850	1,182,873
20-44 years	2,950	79,609	1,960,854
45-54 years	1,336	32,303	820,875
55-64 years	763	28,012	791,105
65 years and older	1,028	29,740	929,934
Total	9,259	233,135	6,059,651
Median Age	33.9	36.8	38.3

Source: U.S. Bureau of the Census, 2012-2016 American Community Survey 5-Year Estimates.

Commerce and Industry

Some major employers in the City of Kearney and surrounding areas include:

	Employer	Product/Service	Number of Employees
1.	Ford Motor Company Assembly Plant	Automobiles	7,220
2.	Liberty Hospital	Health Care	1,850
3.	Kearney R-I School District	Education	598
4.	Cosentino's Price Chopper	Grocery	200
5.	Platte-Clay Electric Cooperative	Utilities	67
6.	McDonald's	Fast Food	60
7.	Mr. Dell Foods	Frozen Potato Products	49
8.	City of Kearney	Government	48

Source: *Kansas City Business Journal* – Top Area Private Sector Employers; Kearney Area Development Council.

Unemployment

The following table sets forth unemployment figures for the last five years for Clay County and the State of Missouri.

	2013	2014	2015	2016	2017
Clay County					
Total Labor Force	126,449	130,479	133,069	134,971	134,696
Unemployed	7,684	6,995	6,030	5,229	4,862
Unemployment Rate	6.1%	5.4%	4.5%	3.9%	3.6%
State of Missouri					
Total Labor Force	3,022,513	3,059,067	3,096,678	3,111,517	3,058,921
Unemployed	201,751	186,699	154,857	140,815	116,650
Unemployment Rate	6.7%	6.1%	5.0%	4.5%	3.8%

Source: Missouri Department of Economic Development.

Income Statistics

The following table sets forth income figures from the last census information.

	Per Capita	Median Family
City of Kearney	$26,143	$79,720
Clay County	30,531	75,961
State of Missouri	27,044	62,285

Housing Structures

The median value of owner occupied housing units in the area of the District was, according to the 2016 census, as follows:

	Median Value
City of Kearney	$158,100
Clay County	156,600
State of Missouri	141,200

Source: U.S. Bureau of the Census, 2012-2016 American Community Survey 5-Year Estimates.

DEBT STRUCTURE OF THE DISTRICT

Current Indebtedness of the District

The following table sets forth as of March 1, 2018, all of the outstanding general obligation indebtedness of the District:

Name of Issue	Issue Date	Principal Amount	Amount Outstanding
General Obligation Bonds	6/8/2010	$3,500,000	$2,620,000 [(1)]

[(1)] The Bonds will refund $2,440,000 of the Series 2010 Bonds.

History of Indebtedness

The following table shows the outstanding general obligation debt of the District for of each of five fiscal years shown:

As of December 31	Total Outstanding Debt	Debt as Percentage of Assessed Value
2017	$2,620,000	0.82%
2016	2,785,000	0.92
2015	2,935,000	1.00
2014	3,070,000	1.10
2013	3,195,000	1.17

Overlapping General Obligation Indebtedness

The following table sets forth the approximate overlapping general obligation indebtedness of political subdivisions with boundaries overlapping the District as of March 1, 2018, and the percent attributable (on the basis of current assessed valuation) to the District.

Taxing Jurisdiction	Outstanding Indebtedness	% Applicable to District	$ Applicable to District
City of Kearney	$7,850,000	100.0%	$7,850,000
Excelsior Springs School District No. 40	19,219,381	1.7	326,729
Kearney R-I School District	42,215,000	66.9	28,241,835
Lawson R-XIV School District	4,475,000	0.2	8,950
Liberty School District No. 53	91,185,000	2.0	1,823,700
Total			$38,251,214

Debt Summary
(as of 03/01/18)

2017 Assessed Valuation*:	$322,748,237
2017 Estimated Actual Valuation:	$1,496,407,093
Current Estimated Population of the District:	19,000
Total General Obligation Debt**:	$2,625,000
Overlapping Debt:	$38,251,214
Direct and Overlapping General Obligation Debt:	$40,876,214
Ratio of General Obligation Debt to Assessed Valuation:	0.81%
Ratio of General Obligation Debt to Estimated Actual Valuation:	0.18%
Per Capita General Obligation Debt:	$138.16
Ratio of Direct and Overlapping General Obligation Debt to Assessed Valuation:	12.67%
Ratio of Direct and Overlapping General Obligation Debt to Estimated Actual Valuation:	2.73%
Per Capita Direct and Overlapping General Obligation Debt:	$2,151.38

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* Includes the assessed value of all property in the District.
** Includes the Bonds but excludes the Refunded Bonds.

Legal Debt Capacity

Article VI, Sections 26(b) of the Constitution of the State of Missouri limit the net outstanding amount of authorized general obligation indebtedness for the District to 5 percent of the assessed valuation of the District by a two-thirds (four-sevenths at certain elections) vote of the qualified voters. The legal debt limit of the District at the next election available to the District, based upon locally assessed real and personal property, is $16,137,411. The current indebtedness of the District (including the Bonds and all authorized but unissued debt) is $2,625,000, which leaves a legal debt margin of $13,512,411.

Other than the Refunded Bonds, the District has no general obligation debt outstanding. The district has never defaulted on a debt or financing obligation.

FINANCIAL INFORMATION CONCERNING THE DISTRICT

Accounting and Budgeting Procedures

The District currently produces financial statements that are in conformity with a modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principals generally accepted in the United States of America. The accounts of the District 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 Fire Chief and submitted to the Board of Directors for consideration prior to the fiscal year commencing on January 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 a resolution.

The financial records of the District are audited annually by a firm of independent certified public accountants in accordance with accounting standards generally accepted in the United States of America. The audit for the fiscal year ending December 31, 2016 was performed by Novak Birks, P.C., CPA's, Kansas City, Missouri. A copy of the annual audit for the fiscal year ended December 31, 2016 is included in this Official Statement at *Appendix B*. A summary of significant accounting policies of the District is contained in the Notes accompanying the financial statements.

Sources of Revenue

The District finances its general operations through the following taxes and other miscellaneous sources as indicated below for the last fiscal year for which financial statements are available (2016):

Source	Amount	Percent
Property Taxes	$2,680,015	88.26%
Ambulance Fees	320,854	10.57
Interest Income	26,920	0.89
Training and Spill Fees *	6,500	0.21
Permits and Fees	1,998	0.07
Other Income	335	0.01
	$3,036,622	100.00%

* The District charges fees for certified firefighter training classes and the cleanup of hazardous material spills.

Property Valuations

Assessment Procedure:

All taxable real and personal property within the District 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 District according to the 2017 assessment:

	Assessed Valuation	**Assessment Rate**	**Estimated Actual Valuation**
Real Estate:			
Residential	$225,925,120	19%	$1,189,079,578
Commercial	35,045,370	32	109,516,781
Agricultural	2,339,530	12	19,496,083
Sub-Total	263,310,020		1,318,092,442
Personal Property	59,438,217	33 1/3 *	178,314,651
Total	$322,748,237		$1,496,407,093

* 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 District, including state assessed railroad and utility property but excluding the assessed value of property constructed in tax increment financing redevelopment areas, according to the assessments in each of the following years, has been as follows:

Year	**Assessed Valuation**	**Percent Change**
2017	$318,112,637	4.62%
2016	304,076,873	3.28
2015	294,409,581	5.50
2014	279,069,903	1.91
2013	273,848,412	1.90
2012	268,757,686	0.79

Property Tax Levies and Collections

Tax Collection Procedure:

Property taxes are levied and collected by the District. The District 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 District's debt for the ensuing budget year. Such estimates are based on the assessed valuation figures provided by the County Clerk. The District 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 District as shown in such books. The County Clerk forwards the tax books by October 31 to the County Collector, who is charged with levying and collecting taxes as shown therein. The County Collector extends the taxes on the tax rolls and issues the tax statements in early December. Taxes are due by December 31 and become delinquent if not paid to the County Collector by that time. All tracts of land and District 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 District each month. Because of the tax collection procedure described above, the District 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 District is $.0887. The District 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 Board of Directors 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 operating levy of the District is $0.8235 per $100 of assessed valuation. The operating levy (consisting of all ad valorem taxes levied except the debt service 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 District 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 District's general obligation bonds is exempt from the calculations of and limitations upon the tax rate ceiling.

The following table shows the District's tax levies (per $100 of assessed valuation) for each of the following fiscal years:

Year	General Revenue	Dispatch	Ambulance	Debt Service	Total
2018	$0.5126	$0.0297	$0.2812	$0.0887	$0.9122
2017	0.5135	0.0298	0.2817	0.0887	0.9137
2016	0.5135	0.0298	0.2817	0.0887	0.9137
2015	0.5135	0.0298	0.2817	0.0887	0.9137
2014	0.5169	0.0300	0.2836	0.0887	0.9192
2013	0.5169	0.0300	0.2833	0.0887	0.9189

Tax Collection Record

The following table sets forth tax collection information for the District for the last five fiscal years.

Year Ended December 31	Total Levy	Taxes Levied	Current and Delinquent Taxes Collected	
			Amount	%
2017	$0.9137	$2,944,109	$2,901,823	98.6%
2016	0.9137	2,690,020	2,681,632	99.7
2015	0.9137	2,565,211	2,559,569	99.8
2014	0.9192	2,510,916	2,523,554	100.5
2013	0.9189	2,463,342	2,464,322	100.0

Source: District.

Major Real and Personal Property Taxpayers

The following table sets forth the ten largest combined real and personal property taxpayers in the District based upon the final assessed valuation of 2017.

	Firm	Local Assessed Valuation	% of Total Local Assessed Valuation
1.	Platte-Clay Electric Cooperative	$11,687,000	3.62%
2.	Platte-Clay Properties, Inc.	5,181,300	1.60
3.	Head Properties, LLC	4,553,900	1.41
4.	Group Kearney LLC	4,328,200	1.34
5.	Pilot Travel Centers, LLC	4,307,000	1.33
6.	Star Development Corp.	3,994,200	1.23
7.	KCB Bank	3,947,600	1.22
8.	Westbrook Holdings, LLC	3,757,400	1.16
9.	Laclede Gas Co	3,085,200	0.95
10.	Kearney MO Assisted Living	2,959,200	0.91

Source: Clay County Assessor's Office.

APPENDIX B

ACCOUNTANT'S REPORT AND AUDITED FINANCIAL STATEMENTS

novak birks p.c.
certified public accountants

4600 Madison, Suite 120
Kansas City, MO 64112

P 816.931.6111 F 816.931.8499

www.novakbirkspc.com

To the Board of Directors
Kearney Fire & Rescue Protection District
Kearney, Missouri

We have audited the financial statements of Kearney Fire & Rescue Protection District as of and for the year ended December 31, 2016, and have issued our report thereon dated June 13, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and governmental auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 7, 2016. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note A to the financial statements. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all material misstatements. There were no material or immaterial misstatements detected as a result of audit procedures.

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 13, 2017.

Management Consultations with Other independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Reporting on Internal Control Matters

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies; therefore, there can be no assurance that all such deficiencies have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no material instances of noncompliance with provisions of certain laws, regulations, contracts and grant agreements.

This information is intended solely for the use of the Board of Directors and management of the District and is not intended and should not be used by anyone other than these specified parties.

Novak Birks, P.C

Kansas City, Missouri
June 13, 2017

KEARNEY FIRE & RESCUE PROTECTION DISTRICT

AUDIT REPORT AND FINANCIAL STATEMENTS

December 31, 2016

KEARNEY FIRE & RESCUE PROTECTION DISTRICT

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novak birks p.c.
certified public accountants

4600 Madison, Suite 120
Kansas City, MO 64112
P 816.931.6111 F 816.931.8499

5931 Nieman Road, Suite 100
Shawnee, KS 66203
P 913.631.5626 F 913.631.5965

www.novakbirkspc.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
Kearney Fire & Rescue Protection District
Kearney, Missouri

We have audited the accompanying modified cash basis financial statements of the governmental activities and each fund of Kearney Fire & Rescue Protection District as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the District'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 the modified cash basis of accounting described in Note A; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each fund of Kearney Fire & Rescue Protection District, as of December 31, 2016, and the respective changes in modified cash basis financial position and the respective budgetary comparison for each fund for the year then ended in accordance with the modified cash basis of accounting described in Note A.

Emphasis of Matter – Basis of Accounting

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinions on the basic financial statements are not affected by this missing information.

Novak Birks P.C.

Kansas City, Missouri
June 13, 2017

KEARNEY FIRE & RESUCE PROTECTION DISTRICT
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
December 31, 2016

ASSETS

	Governmental Activities
Cash in Bank -	
General Fund	$ 1,467,736
Debt Service Fund	87,755
Total Cash in Bank	1,555,491
Restricted Assets:	
Deferred compensation plan	591,082
Total Assets	$ 2,146,573

LIABILITIES AND NET POSITION

Liabilities:	
Payroll taxes and withholdings payable	$ 7,255
Total Liabilities	7,255
Deferred compensation plan assets held in trust	591,082
Net Position:	
Restricted for debt service	87,755
Unrestricted	1,460,481
Total Net Position	1,548,236
Total Liabilities and Net Position	$ 2,146,573

The accompanying notes are an integral part of this financial statement.

KEARNEY FIRE & RESCUE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
For The Year Ended December 31, 2016

		Program Revenues			
	Expenditures	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Revenues (Expenditures) and Changes in Net Position
Functions/Programs					
Governmental Activities:					
Public safety	$ 2,903,973	$ 320,854	$ 0	$ 0	$ (2,583,119)
Debt service	251,740	0	0	0	(251,740)
Net Program Revenues (Expenditures)	$ 3,155,713	$ 320,854	$ 0	$ 0	(2,834,859)
General Revenues:					
Property taxes					2,680,015
Interest income					26,920
Other					8,833
Total General Revenues					2,715,768
Change in Net Position					(119,091)
Net Position, beginning of year					1,667,327
Net Position, end of year					$ 1,548,236

The accompanying notes are an integral part of this financial statement.

BE POSI+IVE.

KEARNEY FIRE & RESCUE PROTECTION DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
December 31, 2016

	General Fund	Debt Service Fund	Total Governmental Funds
ASSETS			
Cash	$ 1,467,736	$ 87,755	$ 1,555,491
Total Assets	$ 1,467,736	$ 87,755	$ 1,555,491
LIABILITIES AND FUND BALANCES			
Liabilities:			
Payroll taxes and withholdings payable	$ 7,255	$ 0	$ 7,255
Total Liabilities	7,255	0	7,255
Fund Balances:			
Unassigned	1,460,481	0	1,460,481
Restricted for debt service	0	87,755	87,755
Total Fund Balances	1,460,481	87,755	1,548,236
Total Liabilities and Fund Balances	$ 1,467,736	$ 87,755	$ 1,555,491

The accompanying notes are an integral part of this financial statement.

KEARNEY FIRE & RESCUE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
For The Year Ended December 31, 2016

	General Fund	Debt Service Fund	Total Governmental Funds
Revenues:			
Taxes	$ 2,421,105	$ 258,910	$ 2,680,015
Ambulance fees	320,854	0	320,854
Interest	25,798	1,122	26,920
Training and spill fees	6,500	0	6,500
Permits and fees	1,998	0	1,998
Other income	335	0	335
Total Revenues	2,776,590	260,032	3,036,622
Expenditures:			
Human Resources -			
Payroll	1,766,528	0	1,766,528
Health, death, disability insurance	283,037	0	283,037
Workman's compensation insurance	161,428	0	161,428
Payroll taxes	128,891	0	128,891
Dues	16,892	0	16,892
Physicals	4,964	0	4,964
LAGERS retirement plan contribution	169,262	0	169,262
Deferred compensation contribution	23,040	0	23,040
Convention and meetings	10,407	0	10,407
Training, education, testing	26,905	0	26,905
Total Human Resources	$ 2,591,354	$ 0.00	$ 2,591,354

KEARNEY FIRE & RESCUE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
For The Year Ended December 31, 2016

	General Fund	Debt Service Fund	Total Governmental Funds
Expenditures (Continued):			
Support Services -			
Insurance	$ 38,078	$ 0	$ 38,078
Fuel and oil	17,039	0	17,039
Equipment maintenance	11,349	0	11,349
Vehicle maintenance	17,682	0	17,682
Station maintenance	27,149	0	27,149
Radio maintenance	1,246	0	1,246
Dispatch	28,389	0	28,389
Telephone	2,717	0	2,717
Mobile phone	9,013	0	9,013
Utilities	21,689	0	21,689
Prevention/pre-planning/ inspections	5,576	0	5,576
Office supplies	4,402	0	4,402
Professional fees	15,378	0	15,378
Ambulance billing fees	19,130	0	19,130
Benefit administration	2,253	0	2,253
Supplies	21,741	0	21,741
Goodwill	4,716	0	4,716
Total Support Services	247,547	0	247,547
Capital Expenditures -			
Bond payment - principal	0	150,000	150,000
Bond payment - interest	0	101,740	101,740
Equipment	30,304	0	30,304
Personnel equipment	16,839	0	16,839
Office equipment	17,929	0	17,929
Total Capital Expenditures	65,072	251,740	316,812
Total Expenditures	2,903,973	251,740	3,155,713
Net Change in Fund Balances	(127,383)	8,292	(119,091)
Fund Balance, beginning of year	1,587,864	79,463	1,667,327
Fund Balance, end of year	$ 1,460,481	$ 87,755	$ 1,548,236

The accompanying notes are an integral part of this financial statement

KEARNEY FIRE & RESCUE PROTECTION DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - MODIFIED CASH BASIS - GENERAL FUND
For The Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:				
Taxes	$ 2,441,291	$ 2,441,291	$ 2,421,105	$ (20,186)
Ambulance fees	334,386	334,386	320,854	(13,532)
Interest	7,000	7,000	25,798	18,798
Training and spill fees	15,000	15,000	6,500	(8,500)
Permits and fees	0	0	1,998	1,998
Other income	0	0	335	335
Total Revenues	2,797,677	2,797,677	2,776,590	(21,087)
Expenditures:				
Human Resources -				
Payroll	1,727,606	1,733,805	1,766,528	(32,723)
Health, death, disability insurance	288,316	288,316	283,037	5,279
Workman's compensation insurance	161,962	161,962	161,428	534
Payroll taxes	123,174	123,174	128,891	(5,717)
Dues	15,000	15,000	16,892	(1,892)
Physicals	15,000	15,000	4,964	10,036
Retirement plan contribution	158,850	158,850	169,262	(10,412)
Deferred compensation contribution	22,000	22,000	23,040	(1,040)
Convention and meetings	11,000	11,000	10,407	593
Training, education, testing	38,300	38,300	26,905	11,395
Total Human Resources	$ 2,561,208	$ 2,567,407	$ 2,591,354	$ (23,947)

KEARNEY FIRE & RESCUE PROTECTION DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - MODIFIED CASH BASIS - GENERAL FUND
For The Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Expenditures (Continued):				
Support Services -				
Insurance	$ 38,086	$ 38,086	$ 38,078	$ 8
Fuel and oil	28,000	28,000	17,039	10,961
Equipment maintenance	11,000	11,000	11,349	(349)
Vehicle maintenance	20,000	20,000	17,682	2,318
Station maintenance	20,000	20,000	27,149	(7,149)
Radio maintenance	4,000	4,000	1,246	2,754
Dispatch	42,583	42,583	28,389	14,194
Telephone	2,500	2,500	2,717	(217)
Mobile phone	8,000	8,000	9,013	(1,013)
Utilities	23,600	23,600	21,689	1,911
Prevention/pre-planning/ inspections	6,000	6,000	5,576	424
Office supplies	8,000	8,000	4,402	3,598
Professional fees	18,000	18,000	15,378	2,622
Ambulance billing fees	20,225	20,225	19,130	1,095
Benefit administration	2,580	2,580	2,253	327
Supplies	20,000	20,000	21,741	(1,741)
Goodwill	6,000	6,000	4,716	1,284
Total Support Services	278,574	278,574	247,547	31,027
Capital Expenditures -				
Equipment	37,500	37,500	30,304	7,196
Personnel equipment	16,000	16,000	16,839	(839)
Office equipment	15,000	15,000	17,929	(2,929)
Total Capital Expenditures	68,500	68,500	65,072	3,428
Total Expenditures	347,074	347,074	312,619	34,455
Excess of Revenues Over (Under) Expenditures	$ (110,605)	$ (116,804)	$ (127,383)	$ (10,579)

The accompanying notes are an integral part of this financial statement.

KEARNEY FIRE & RESCUE PROTECTION DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - MODIFIED CASH BASIS - DEBT SERVICE FUND
For The Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:				
Taxes	$ 261,141	$ 261,141	$ 258,910	$ (2,231)
Interest	0	0	1,122	1,122
Total Revenues	261,141	261,141	260,032	(1,109)
Expenditures:				
Bond principal	150,000	150,000	150,000	0
Bond interest	101,740	101,740	101,740	0
Total Expenditures	251,740	251,740	251,740	0
Excess Of Revenues Over (Under) Expenditures	$ 9,401	$ 9,401	$ 8,292	$ (1,109)

The accompanying notes are an integral part of
this financial statement.

BE POSI+IVE.

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The Kearney Fire & Rescue Protection District was established under the Statutes of the State of Missouri. The District is governed by five elected directors.

As discussed below, these financial statements are presented on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) established by the Governmental Accounting Standards Board (GASB). These modified cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the modified cash basis of accounting.

Financial Reporting Entity – In evaluating how to define the District, for financial purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying criteria set forth in generally accepted accounting principles. The basic – but not the only – criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. The District has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a component unit in the District's financial statements.

Basis of Presentation –

Government-Wide Financial Statements: The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements represent the District's governmental activities. Governmental activities generally are financed through taxes and service fees.

Fund Financial Statements: Accounts of the District 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, fund balances, revenues and expenditures. The following fund types are used by the District:

The General Fund is the principal fund of the District and accounts for all financial transactions not accounted for in other funds.

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, principal, interest, and other related costs of the District's general obligation bonds.

NOTE A – SIGNFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting - Measurement focus is a term used to describe "how" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus - In the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus, as applied to the modified cash basis of accounting, is used.

Basis of Accounting - In the government-wide Statement of Net Position and Statement of Activities and the fund financial statements, governmental activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues and expenditures/expenses primarily when they result from modified cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and certain accrued expenses and liabilities) are not recorded in these financial statements.

If the District utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Compensated Absences - As a result of the use of the modified cash basis of accounting, liabilities related to accrued compensated absences are not recorded in the government-wide or fund financial statements. Expenditures/expenses related to compensated absences are recorded when paid.

NOTE A – SIGNFICANT ACCOUNTING POLICIES (Continued)

Equity Classification -

Government-Wide Statements:

Equity is classified as net position and displayed in two components:

a. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

b. Unrestricted net positions – All other net positions that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

It is the District's policy to first use restricted net positions prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

Fund Balances -

The District adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). The statement is designed to improve financial reporting by establishing fund balance classifications that are easier to understand and apply. GASB 54 establishes the following classifications depicting the relative strength of the constraints that control how specific amounts can be spent:

Non-spendable – Amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund).

Restricted – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation.

Committed – Amounts constrained to specific purposes by the District itself using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint. The District's highest level of decision-making authority is the Board of Directors. The formal action that is required to be taken to establish committed fund balances is either by ordinance or resolution.

Assigned – Amounts the District intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Unassigned – Amounts that are available for any purpose; these amounts are reported only in the General Fund.

NOTE A – SIGNFICANT ACCOUNTING POLICIES (Continued)

The District's policy is to spend the most restricted resources first before less restricted resources in the following order: Non-spendable (if funds become spendable), restricted, committed, assigned, then unassigned.

The District's fund balance policy was enacted in an effort to ensure financial security through the maintenance of a healthy reserve fund that guides the creation, maintenance, and use of resources for financial stabilization purposes. The District's primary objective is to maintain a prudent level of financial resources to project against reducing service levels or raising taxes and fees due to temporary revenue shortfalls or unpredicted one-time expenditures. The District also seeks to maintain the highest possible credit ratings which are dependent, in part, on the District's maintenance of a healthy fund balance. The unrestricted fund balances of the General Fund have been accumulating to meet this purpose to provide stability and flexibility in order to respond to unexpected adversity and/or opportunities.

Budgetary Process – The reported budgetary data represents the final approved budget after amendments, as adopted by the Board of Directors. Prior to January 1, a budget is adopted for the coming year. The budget includes anticipated revenues and proposed expenditures.

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

Management Review – In preparing the financial statements, the District has evaluated events and transactions for potential recognition or disclosure through June 13, 2017 the date that the financial statements were available to be issued.

NOTE B – CASH

Cash consisted of the following at December 31, 2016:

Unrestricted –	
Petty cash	$ 76
Kearney Commercial Bank	1,467,660
Total Unrestricted	1,467,736
Restricted –	
Kearney Commercial Bank – debt service	87,755
Total Restricted	87,755
Total	$1,555,491

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NOTE B – CASH (Continued)

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The District's deposit policy for custodial credit risk requires compliance with provisions of state law. State law requires collateralization of all deposits with federal depository insurance; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities of the State of Missouri; bonds of any city having a population of not less than two thousand, county, school district or special road district of the State of Missouri; bonds of any state, tax anticipation notes issued by any first class county, or a surety bond having an aggregate value at least equal to the amount of the deposits. The balances of the District's deposits are sufficiently collateralized.

NOTE C – TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and payable by December 31. The county collects the property tax and remits it to the District.

The assessed valuation of the tangible property for purposes of local taxation was:

	2016	2015
Real estate	$248,783,380	$241,990,030
Personal property	56,753,236	53,317,610
Stated assessed railroad and utility	2,848,977	3,178,091
TIF	(4,308,720)	(4,076,150)
	$304,076,873	$294,409,581

The tax levy per $100.00 of the assessed valuation of tangible property for calendar year 2016 for purposes of local taxation was $0.9137 allocated $0.5135 to fire, $0.2817 to ambulance, $0.0298 to dispatch and $0.0887 debt service. For 2015 the levy was $0.9137 allocated $0.5135 to fire, $0.2817 to ambulance, $0.0298 to dispatch and $0.0887 to debt service.

NOTE D – CHANGES IN FIXED ASSETS

	Balance December 31, 2015	Additions	Retirements	Balance December 31, 2016
Land and buildings	$1,609,708	$ 0	$ 0	$1,609,708
Fire equipment	563,290	0	0	563,290
Fire vehicles	2,069,948	0	0	2,069,948
Rescue vehicles	436,626	0	0	436,626
Rescue equipment	293,532	9,682	0	303,214
Radio equipment	134,931	4,492	0	139,423
Office equipment	100,487	3,852	0	104,339
	$5,208,522	$ 18,026	$ 0	$5,226,548

NOTE E – BONDS PAYABLE

On April 6, 2010, the Districts' electorate approved issuance of $3,500,000 general obligation bonds for the purpose of a) refinancing a lease purchase agreement delivered in 2002 to fund the costs of improvements and renovations made to the District's fire station and the costs of certain equipment, b) financing the costs to improve and renovate the District's fire station and c) financing the costs to acquire and install fire and emergency services apparatus and equipment for the District. These bonds were sold in June 2010.

Due to the financial statements being presented using the modified cash basis, outstanding debt is not included on the statement of net assets. Accordingly, issuance of bonds are reflected as other financing sources and current retirements are recorded as current period expenditures in the statement of activities.

The following is a summary of bond transactions for the year ended December 31, 2016:

Bonds payable, January 1, 2016	$2,935,000
Bonds issued	0
Bonds retired	(150,000)
Bonds payable, December 31, 2016	$2,785,000

Bonds payable at December 31, 2016, consisted of the series 2010 issuance that is due in varying annual installments through 2027; interest rates range from 0.70% to 4.10%. Debt service requirements are as follows:

Year	Principal	Interest	Total
2017	$ 165,000	$ 98,290	$ 263,290
2018	180,000	94,082	274,082
2019	195,000	89,043	284,043
2020	210,000	83,193	293,193
2021	230,000	76,577	306,577
2022-2026	1,480,000	246,428	1,726,428
2027	325,000	13,325	338,325
	$ 2,785,000	$ 700,938	$ 3,485,938

NOTE F – RELATED PARTY TRANSACTIONS

The District's Chief is a stockholder and director of the District's depository bank. Also, the Deputy Chief is the son of the Chief.

NOTE G – DEFERRED COMPENSATION PLAN

The District participates in the Missouri Municipal League (MML) Deferred Compensation Plan (Plan), a multiple- employer plan for member governmental employers sponsored by the MML. The plan is a defined contribution plan, established under Internal Revenue Code (Code) Section 457(b). The plan is administered by and invested with ING. All District employees are eligible to participate in the Plan.

In 2016, participants could defer the lesser of $18,000 or 100% of their annual compensation for investment into the Plan. All amounts in the participants accounts under this Plan, all property and rights which may be purchased with such amounts and all income attributable to such amounts, property or rights will be held in trust (or a custodial account or annuity contract described in Section 401(f) of the Code) for the exclusive benefit of Participants and their Beneficiaries. All such amounts will not be subject to the claims of the District's general creditors.

Beginning June 2012, the District approved an employer match of 50% of up to 4% of employee deferrals. The match was paid in 2016 was $23,040.

The Plan assets are held in trust by VOYA Retirement Insurance and Annuity Co.

Plan activity for 2016 was as follows:

Fair Value, December 31, 2015	$ 481,803
Employee contributions	34,490
Employer contributions	23,040
Withdrawals	(5,452)
Earnings and change in fair value	57,201
Fair Value, December 31, 2016	$ 591,082

NOTE H – RETIREMENT PLAN

The District contributes to a defined benefit plan, the Missouri Local Government Employees Retirement System (LAGERS). Contributions are funded entirely by the employer.

Summary of Plan's Significant Accounting Policies

Financial reporting information pertaining to the District's participation in LAGERS is prepared in accordance with Government Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date.*

The fiduciary net position, as well as additions to and deductions from the fiduciary net position, of LAGERS have been determined on the same basis as they are reported by LAGERS. The Plan's financial statements were prepared using the accrual basis of accounting. Contributions are recognized when due, pursuant to formal commitments and statutory requirements. Benefits are recognized when due and payable in accordance with the statutes governing LAGERS. Expenses are recognized when the liability is incurred, regardless of when payment is made. Investments reported at fair value on trade date basis. The fiduciary net position is reflected in the measurement of the District's net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense.

General Information About the Plan

LAGERS is an agent multiple-employer retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, section RSMo. 70.600-70.755. As such, it is LAGERS' responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a), and it is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P. O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334.

The District's full-time employees do not contribute to the pension plan. The political subdivision is required to contribute at an actuarially determined rate; the current rate is 10.2% for staff and 13.5% for office of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

The District's modified cash basis contributions to LAGERS totaled $169,262 for the year ended December 31, 2016.

NOTE H – RETIREMENT PLAN (Continued)

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

At December 31, 2016, the District's net pension asset was $55,628. The net pension asset was measured as of June 30, 2016 and determined by an actuarial valuation as of that date.

For the year ended December 31, 2016, the District recognized a modified cash basis pension expense of $169,262.

At June 30, 2016, the District's deferred outflows of resources and deferred inflows of resources from the following sources related to LAGERS pension benefits:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance of Deferred Outflows and Inflows Due to:		
Difference between expected and actual experience	$ 49,140	$ 21,448
Changes of assumptions	168,183	0
Net difference between projected and actual earnings on pension plan investments	391,342	0
Employer contributions subsequent to the measurement date	N/A	N/A
Total	$ 608,665	$ 21,448

Amounts reported as collective deferred (inflows)/outflows of resources to be recognized in pension expense:

Year Ending June 30:	
2017	$ 132,532
2018	132,679
2019	131,944
2020	86,666
2021	22,369
Thereafter	81,027
	$ 587,217

Actuarial Assumptions

Actuarial valuations of LAGERS involves estimates of the reported amount and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

NOTE H – RETIREMENT PLAN (Continued)

Significant actuarial assumptions and other inputs used to measure the total pension liability:

Measurement Date	June 30, 2016
Valuation Date	February 29, 2016

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 2.85% (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve); and the resulting single discount rate is 7.25%.

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 base from 13 to 15 years
Asset Valuation Method	5-Year smoothed market; 20% corridor
Inflation	3.25% wage inflation; 2.5% price inflation
Salary Increases	3.25% to 6.55% including wage inflation
Investments 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.

NOTE H – RETIREMENT PLAN (Continued)

Mortality	The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employee mortality table for males and females. Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.
Other Information	New assumptions adopted based on the 5-year experience study for the period March 1, 2010 through February 28, 2015.

Sensitivity of Net Pension Liability to the Single Discount Rate

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Total Pension Liability (TPL)	$ 5,308,146	$ 4,485,061	$ 3,821,615
Plan Fiduciary Net Position	4,540,689	4,540,689	4,540,689
Net Pension Liability/(Asset) (NPL)	$ 767,457	$ (55,628)	$ (719,074)

Employer Contributions

Actuarial Valuation Dated	Statutorily Required Contribution	Actual Employer Contributions	Contribution Excess/ (Deficiency)	Actual Covered Member Payroll	Contribution as a Percentage of Covered Payroll
02/28/13	$ 178,631	$ 178,631	$ 0	$ 1,395,243	12.80%
02/28/14	$ 187,300	$ 187,300	$ 0	$ 1,371,680	13.65%
02/28/15	$ 161,268	$ 161,268	$ 0	$ 1,480,121	10.90%
02/29/16	$ 169,262	$ 169,262	$ 0	$ 1,583,153	10.69%

KEARNEY FIRE & RESCUE PROTECTION DISTRICT
SUMMARY OF SELECTED INFORMATION
FORM THE DECEMBER 31, 2016 AUDIT

I. Key Financial Data (General Fund):

	Fiscal 2016	Fiscal 2015	Change
Cash	$ 1,467,736	$ 1,594,619	$ (126,883)
Fund Balance	$ 1,460,481	$ 1,587,864	$ (127,383)
Tax Revenues	$ 2,421,105	$ 2,261,115	$ 159,990
Next Year's Taxes in Current Year	$ 100,130	$ 109,353	$ (9,223)
Ambulance Fees	$ 320,854	$ 296,195	$ 24,659
Human Resources	$ 2,591,354	$ 2,291,424	$ 299,930
Support Services	$ 247,547	$ 266,078	$ (18,531)
Capital Expenditures	$ 65,072	$ 101,562	$ (36,490)

II. Budget Versus Actual (General Fund):

	Budget	Actual	Variance
Revenues	$ 2,797,677	$ 2,776,590	$ (21,087)
Expenses	$ 2,914,481	$ 2,903,973	$ 10,508

III. General fund balance represents approximately 184 days in reserve, or approximately a 34 day decrease from 12/31/15.

IV. The bank is in compliance with deposit security statutes.

APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

Kearney Fire and Rescue Protection District
of Clay County, Missouri
Kearney, Missouri

First Bankers' Banc Securities, Inc.
St. Louis, Missouri

Re: $2,445,000 Kearney Fire and Rescue Protection District of Clay County, Missouri, General Obligation Refunding Bonds, Series 2018

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Kearney Fire and Rescue Protection District of Clay County, Missouri (the "District"), of the above-captioned bonds (the "Bonds").

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

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

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

2. The interest on the Bonds is excluded 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. The opinions set forth in this paragraph are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal and Missouri income tax purposes. The District has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal and Missouri income tax purposes retroactive to the date of issuance of the Bonds. The Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b) of the Code.

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

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

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

Very truly yours,