

**EXHIBIT B**

**PRELIMINARY OFFICIAL STATEMENT**

**[FOLLOWS THIS PAGE]**

**PRELIMINARY OFFICIAL STATEMENT DATED MARCH \_\_, 2017**

**NEW ISSUE**

**S&P Rating: “\_\_”  
See “RATINGS” 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”), the interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal and Missouri income tax purposes, except as described in this Official Statement, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. The Bonds have not been designated as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code. See “TAX MATTERS” in this Official Statement.*



**CITY OF COLUMBIA, MISSOURI**

**\$16,405,000\***  
**SEWERAGE SYSTEM REVENUE BONDS**  
**SERIES 2017**

**Dated: Date of Issuance**

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

The above-referenced Sewerage System Revenue Bonds, Series 2017 (the “Bonds”) will be issued as fully registered bonds and will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Bonds. The Bonds will be available for purchase in denominations of \$5,000 or any integral multiple thereof, under the book-entry system maintained by DTC. DTC will receive all payments with respect to the Bonds from UMB Bank, N.A., St. Louis, Missouri, as Paying Agent for the Bonds. DTC is required to remit such payments to DTC Participants for subsequent disbursement to the beneficial owners of the Bonds. Semiannual interest will be payable on April 1 and October 1, beginning on October 1, 2017.

The Bonds are special obligations of the City, payable solely from the net income and revenues derived by the City from the operation of its sewerage system after payment of the costs of operation and maintenance. The Bonds are on a parity with thirteen series of the City’s outstanding sewerage system revenue bonds. The Bonds do not constitute a general obligation of the City and do not constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter provision, limitation or restriction, and the taxing power of the City is not pledged to the payment of the Bonds or the interest thereon.

The Bonds are being issued for the purpose of providing funds to (i) extend and improve the City’s sewerage system, (ii) fund a debt service reserve for the Bonds and (iii) pay costs related to the issuance of the Bonds.

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

*The Bonds are offered when, as and if issued by the City, subject to the approval of legality by Gilmore & Bell, P.C., Kansas City, Missouri, Bond Counsel. Gilmore & Bell, P.C. will also pass upon certain matters relating to this Official Statement. It is expected that the Bonds will be available for delivery in book-entry form through DTC, New York, New York on or about April 19, 2017*

**The date of this Official Statement is April \_\_, 2017**

\* Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

**Bids for the Bonds will only be received via facsimile or electronically at [www.ColumbiaCapitalAuction.com](http://www.ColumbiaCapitalAuction.com) until 10:00 A.M., Central Daylight Time, on Monday, April 3, 2017, all in accordance with the Notice of Bond Sale for the Bonds.**

**CITY OF COLUMBIA, MISSOURI**

**\$16,405,000\***

**SEWERAGE SYSTEM REVENUE BONDS  
SERIES 2017**

**MATURITY SCHEDULE\***

| <b><u>Maturity<br/>October 1</u></b> | <b><u>Principal<br/>Amount</u></b> | <b><u>Interest<br/>Rate</u></b> | <b><u>Yield</u></b> | <b><u>Price</u></b> | <b><u>CUSIP<br/>(Base: 198054)</u></b> |
|--------------------------------------|------------------------------------|---------------------------------|---------------------|---------------------|--|
| 2018                                 | \$680,000                          |                                 |                     |                     |  |
| 2019                                 | 690,000                            |                                 |                     |                     |  |
| 2020                                 | 700,000                            |                                 |                     |                     |  |
| 2021                                 | 710,000                            |                                 |                     |                     |  |
| 2022                                 | 720,000                            |                                 |                     |                     |  |
| 2023                                 | 730,000                            |                                 |                     |                     |  |
| 2024                                 | 745,000                            |                                 |                     |                     |  |
| 2025                                 | 760,000                            |                                 |                     |                     |  |
| 2026                                 | 775,000                            |                                 |                     |                     |  |
| 2027                                 | 795,000                            |                                 |                     |                     |  |
| 2028                                 | 810,000                            |                                 |                     |                     |  |
| 2029                                 | 830,000                            |                                 |                     |                     |  |
| 2030                                 | 850,000                            |                                 |                     |                     |  |
| 2031                                 | 870,000                            |                                 |                     |                     |  |
| 2032                                 | 895,000                            |                                 |                     |                     |  |
| 2033                                 | 915,000                            |                                 |                     |                     |  |
| 2034                                 | 940,000                            |                                 |                     |                     |  |
| 2035                                 | 970,000                            |                                 |                     |                     |  |
| 2036                                 | 995,000                            |                                 |                     |                     |  |
| 2037                                 | 1,025,000                          |                                 |                     |                     |  |

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\* Preliminary; subject to change.

**CITY OF COLUMBIA, MISSOURI**

701 East Broadway  
Columbia, Missouri 65201  
(573) 874-7111

**CITY OFFICIALS**

**Mayor**

Brian Treece

**Council Members**

|              |               |
|--------------|---------------|
| Clyde Ruffin | Michael Trapp |
| Karl Skala   | Ian Thomas    |
| Laura Nauser | Betsy Peters  |

**Administrative Officials**

Mike Matthes, City Manager  
Nancy Thompson, City Counselor  
Sheela Amin, City Clerk  
Michele Nix, Finance Director  
David A. Nichols, Public Works Director

**CERTIFIED PUBLIC ACCOUNTANTS**

RSM US LLP  
Kansas City, Missouri

**BOND COUNSEL**

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

**FINANCIAL ADVISOR**

Columbia Capital Management, LLC  
Overland Park, Kansas

**PAYING AGENT**

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

## REGARDING USE OF THIS OFFICIAL STATEMENT

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

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

In connection with this offering, the Underwriter may overallocate or effect transactions that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The Bonds have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended, or under any state securities or "blue sky" laws. The Bonds are offered pursuant to an exemption from registration with the Securities and Exchange Commission.

### CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

Certain statements included in or incorporated by reference in this Official Statement that are not purely historical are "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended, and reflect the City's current expectations, hopes, intentions, or strategies regarding the future. Such statements may be identifiable by the terminology used such as "plan," "expect," "estimate," "budget," "intend" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INCLUDED IN SUCH RISKS AND UNCERTAINTIES ARE (i) THOSE RELATING TO THE POSSIBLE INVALIDITY OF THE UNDERLYING ASSUMPTIONS AND ESTIMATES, (ii) POSSIBLE CHANGES OR DEVELOPMENTS IN SOCIAL, ECONOMIC, BUSINESS, INDUSTRY, MARKET, LEGAL AND REGULATORY CIRCUMSTANCES, AND (iii) CONDITIONS AND ACTIONS TAKEN OR OMITTED TO BE TAKEN BY THIRD PARTIES, INCLUDING CUSTOMERS, SUPPLIERS, BUSINESS PARTNERS AND COMPETITORS, AND LEGISLATIVE, JUDICIAL AND OTHER GOVERNMENTAL AUTHORITIES AND OFFICIALS. ASSUMPTIONS RELATED TO THE FOREGOING INVOLVE JUDGMENTS WITH RESPECT TO, AMONG OTHER THINGS, FUTURE ECONOMIC, COMPETITIVE, AND MARKET CONDITIONS AND FUTURE BUSINESS DECISIONS, ALL OF WHICH ARE DIFFICULT OR IMPOSSIBLE TO PREDICT ACCURATELY. FOR THESE REASONS, THERE CAN BE NO ASSURANCE THAT THE FORWARD-LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENTS WILL PROVE TO BE ACCURATE.

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

THIS PRELIMINARY OFFICIAL STATEMENT IS DEEMED TO BE FINAL (EXCEPT FOR PERMITTED OMISSIONS) BY THE ISSUER FOR PURPOSES OF COMPLYING WITH RULE 15c2-12 OF THE SECURITIES AND EXCHANGE COMMISSION.

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# OFFICIAL STATEMENT

## CITY OF COLUMBIA, MISSOURI

### **\$16,405,000\*** **SEWERAGE SYSTEM REVENUE BONDS** **SERIES 2017**

#### INTRODUCTION

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

#### **Purpose of the Official Statement**

The purpose of this Official Statement is to furnish information relating to (1) the City of Columbia, Missouri (the “City”) and (2) the City’s Sewerage System Revenue Bonds, Series 2017, to be issued in the aggregate principal amount of \$16,405,000\* (the “Bonds”), to provide funds to (i) extend and improve the City’s sewerage system, (ii) fund a debt service reserve fund for the Bonds and (iii) pay costs related to the issuance of the Bonds.

#### **The City**

The City is a constitutional charter city and political subdivision of the State of Missouri, organized, existing and operating under the constitution and laws of the State of Missouri and the City Charter, adopted in 1949, and exercises powers of municipal government specifically granted by the State of Missouri. For more information about the City, see *Appendix A* and *Appendix B*.

#### **The System**

The City owns and operates a revenue-producing sewerage system serving the City and its inhabitants (the “System”). The System includes 24 pumping stations, 697 miles of sewers and 2 treatment facilities (25.22 mgd capacity total). The City has been served by a sewer system since 1901. Centralized treatment was provided in the early 1980’s when major interceptors and pumping stations were constructed to collect sanitary wastes and convey them to a newly-constructed central plant for treatment. For more information about the System, see the section “**THE SYSTEM**” herein and the section “**FINANCIAL INFORMATION CONCERNING THE SYSTEM**” in *Appendix A*.

#### **The Bonds**

The Bonds are being issued pursuant to an ordinance to be passed by the City Council of the City on April 3, 2017 (the “Bond Ordinance”) to provide funds to extend and improve the System, fund a debt service reserve for the Bonds and pay costs related to the issuance of the Bonds. The Bonds represent the second installment of \$32,340,000 of sewerage system revenue bonds authorized by the required majority of the qualified voters of the City on November 5, 2013. See the sections “**THE BONDS**” and “**PLAN OF FINANCING**” herein.

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\* Preliminary; subject to change.



## **Security and Source of Payment**

The Bonds will be special limited obligations of the City payable from the net income and revenues derived by the City from the operation of the System after payment of the costs of operation and maintenance. At the time of issuance of the Bonds, the City will fund a debt service reserve fund in the amount of \$\_\_\_\_\_ from proceeds of the Bonds.

## **Outstanding System Revenue Bonds**

The City has outstanding (i) \$660,000 principal amount of Sewerage System Revenue Bonds (State Revolving Fund Program), Series 1999 (the “Series 1999 Bonds”), (ii) \$330,000 principal amount of Sewerage System Revenue Bonds (State Revolving Fund Program), Series 1999B (the “Series 1999B Bonds”), (iii) \$710,000 principal amount of Sewerage System Revenue Bonds (State Revolving Fund Program), Series 2000 (the “Series 2000 Bonds”), (iv) \$765,000 principal amount of Sewerage System Revenue Bonds (State Revolving Fund Program), Series 2002 (the “Series 2002 Bonds”), (v) \$1,440,000 principal amount of Sewerage System Revenue Bonds (State Revolving Fund Program), Series 2003 (the “Series 2003 Bonds”), (vi) \$300,000 principal amount of Sewerage System Revenue Bonds (State Revolving Fund Program), Series 2004 (the “Series 2004 Bonds”), (vii) \$505,000 principal amount of Sewerage System Revenue Bonds (State Revolving Fund Program), Series 2006 (the “Series 2006 Bonds”), (viii) \$1,075,000 principal amount of Sewerage System Revenue Bonds (State Revolving Fund Program), Series 2007 (the “Series 2007 Bonds”), (ix) \$10,405,000 principal amount of Taxable Sewerage System Revenue Bonds (Build America Bonds – Direct Subsidy), Series 2009 (the “Series 2009 Bonds”), (x) \$47,788,300 principal amount of Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program – ARRA), Series 2010A (the “Series 2010 Bonds”), (xi) \$7,920,000 principal amount of Sewerage System Revenue Bonds, Series 2012 (the “Series 2012 Bonds”), (xii) \$665,000 principal amount of Sewerage System Refunding Revenue Bonds, Series 2013 (the “Series 2013 Bonds”) and (xiii) \$17,100,000 principal amount of Sewerage System Revenue Bonds, Series 2015 (the “Series 2015 Bonds”). The Series 1999 Bonds, Series 1999B Bonds, Series 2000 Bonds, Series 2002 Bonds, Series 2003 Bonds, Series 2004 Bonds, Series 2006 Bonds, Series 2007 Bonds, Series 2009 Bonds, Series 2010 Bonds, Series 2012 Bonds, Series 2013 Bonds and Series 2015 Bonds are collectively referred to herein as the “Previously Issued Parity Bonds.” The Bonds will be issued on a parity with the Previously Issued Parity Bonds with respect to the revenues of the System.

The City has the right under the Bond Ordinance to issue additional bonds on a parity with the Bonds and the Previously Issued Parity Bonds payable from the same sources and secured by the same revenues as the Bonds and the Previously Issued Parity Bonds, but only in accordance with and subject to the terms and conditions set forth in the Bond Ordinance. The Previously Issued Parity Bonds and any additional bonds or other obligations hereafter issued or incurred pursuant to the Bond Ordinance and standing on a parity and equality with the Bonds with respect to the payment of principal and interest from the net revenues of the System are collectively referred to as the “Parity Bonds.” The taxing power of the City is not pledged to the payment of the Bonds or the interest thereon. See the section “**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS**” herein.

## **Financial Statements**

Audited financial statements of the City as of and for the fiscal year ended September 30, 2016, are included in the City’s Comprehensive Annual Financial Report in *Appendix B* to this Official Statement. These financial statements have been audited by RSM US LLP, 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* hereto.

## Summary of the Bond Ordinance

A summary of the Bond Ordinance, including definitions of certain words and terms used herein and in the Bond Ordinance, is included in *Appendix C* to this Official Statement. Such summary and definitions do not purport to be comprehensive or definitive. All references herein to the Bond Ordinance are qualified in their entirety by reference to the Bond Ordinance. Copies of the Bond Ordinance and this Official Statement may be viewed at the office of the City's financial advisor, Columbia Capital Management, LLC, 6330 Lamar Ave., Overland Park, Kansas 66202 (913) 248-8500, or will be provided to any prospective purchaser requesting the same.

## Continuing Disclosure Information

The City has agreed to provide certain annual financial information and notices of certain events to the Municipal Securities Rulemaking Board via the Electronic Municipal Market Access system ("EMMA"), in accordance with Rule 15c2-12 promulgated by the Securities and Exchange Commission. See the section "CONTINUING DISCLOSURE" herein and "Summary of the Continuing Disclosure Undertaking" in *Appendix C*.

## PLAN OF FINANCING

### Authorization and Purpose of the Bonds

The Bonds are being issued pursuant to and in full compliance with the Constitution and statutes of the State of Missouri, including particularly Article VI, Section 27 of the Missouri Constitution, as amended, and Chapter 250 of the Revised Statutes of Missouri, as amended (the "Act"), the City's Charter and the Bond Ordinance. The Bonds are being issued to extend and improve the System, fund a debt service reserve for the Bonds and to pay the costs related to the issuance of the Bonds.

The Bonds represent the second installment of \$32,340,000 of sewerage system revenue bonds approved at the election held in the City on November 5, 2013 (the "2013 Voted Authority"). Upon the issuance of the Bonds, the City will have \$5,156,000\* of the 2013 Voted Authority remaining.

### The Improvements

The Bonds are being issued for the purpose of extending and improving the System. Generally, the improvements will include improvements to the City's main wastewater treatment plant, extension of System sewer lines, construction of trunk sewers, replacement, repair and relocation of certain existing sewer mains and manholes, replacement of private common collector sewers and inflow and infiltration reduction improvements (collectively, the "Project"). The estimated aggregate cost of the Project is \$15,014,500.

*Specific Projects (anticipated as of the date of this Official Statement, but subject to change):*

Waste Water Treatment Plant – Digester Complex Improvements: involves replacing the primary digester cover, installing a digester mixing and pumping system and installing a fats, oils and grease receiving station for the digesters. Preliminary design/construction for this specific project is expected to commence Fall 2017 and completed by 2020.

Henderson Branch Sewer – Midway Sewer Extension Project: involves constructing approximately 8,000 linear feet of gravity sewer line in order to extend the Henderson Branch

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\* Preliminary, subject to change.

sewer line to the Midway area of the System's territory. Preliminary design on this specific project commenced in 2016 and this specific project is expected to be completed by 2020.

*City-Wide Projects:*

100-Acre Point Sewers Projects: The City's System utility has a policy that it will construct trunk sewers up to the 100-acre point of a watershed. This project provides the necessary funds for construction of future 100-acre point sewer projects in developing drainage basins to respond to the needs created by development in the service area. These projects are often constructed to eliminate existing wastewater treatment facilities or prevent new wastewater treatment facilities from being constructed.

Sewer Main and Manhole Repair: This city-wide project will provide the necessary funds for this annual program to replace, repair or rehabilitate existing sanitary sewer mains and manholes in the System that are in poor physical condition. This work will reduce the amount of inflow and infiltration into the system and help keep the System in proper operating condition. This has been an ongoing project for the City that commenced in 2015. The City expects this project to be completed by the end of 2018.

Private Common Collector Elimination: A private common collector sewer is a sewer line that is not publicly owned or maintained that serves two or more properties. It is estimated that there are approximately 11 miles of private common collector sewers located in the City. In most cases, private common collector sewers were not constructed to City standards and receive very little preventative maintenance. Private common collectors can be significant sources of inflow and infiltration into the System. Private common collectors can be eliminated through the City's sewer district program. This project will provide the necessary funds the annual program to fund the replacement of private common collector sewers. This specific project is currently In various stages, of design, construction and completion.

Inflow & Infiltration: This city-wide project is intended to address inflow and infiltrations defects, both public and private, throughout the City. This has been an ongoing project for the City that commenced in 2015. The City expects this project to be completed by the end of 2018.

Sewer System Improvements: Addresses sewer relocation or upgrades required due to other projects, most commonly used to upgrade or relocate sewer mains due to street improvement projects.

The City will deposit a portion of the proceeds of the Bonds in the Project Fund established under the Bond Ordinance. Such proceeds will be used by the City solely to pay the costs of issuing the Bonds and the costs of the Project, in accordance with the report and estimate of the City's engineers and plans and specifications for said improvements to be prepared by the City's engineers. Construction of the cumulative Project is expected to be completed by 2020.

**Sources and Uses of Funds**

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

*Sources of Funds:*

|                                       |          |
|---------------------------------------|----------|
| Proceeds of the Bonds                 | \$ _____ |
| [Net] reoffering [premium]/[discount] | _____    |
| Total                                 | \$ _____ |

*Uses of Funds:*

|  |          |
|--|----------|
| Deposit to Project Fund                        | \$ _____ |
| Deposit to Debt Service Reserve Fund           | \$ _____ |
| Costs of issuance for the Bonds <sup>(1)</sup> | _____    |
| Total  | \$ _____ |

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

**THE BONDS**

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

**General Description**

The Bonds will be issued in the principal amounts stated on the inside cover page of this Official Statement, will be dated the date of issuance thereof, 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 October 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 April 1 and October 1 in each year, beginning on October 1, 2017. Principal will be payable by check or draft mailed by the Paying Agent upon presentation and surrender of the Bonds by the Registered Owners thereof at the principal payment office of UMB Bank, N.A., St. Louis, Missouri, Paying Agent. Interest shall be paid (a) to the Registered Owners of the Bonds as shown on the registration books of the Paying Agent (the "Bond Register") at the close of business on the "Record Date," which Record Date is the 15<sup>th</sup> day (whether or not a business day) of the calendar month next preceding an Interest Payment Date, for such interest by check or draft mailed by the Paying Agent to the address of such Registered Owners shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by any Registered Owner, or (b) in the case of an interest payment to any Registered Owner of \$500,000 or more in aggregate principal amount of Bonds, by wire transfer to such Registered Owner upon written notice given to the Paying Agent by such Registered Owner, not less than five days prior to the Record Date for such interest, containing the wire transfer address (which shall be in the continental United States) to which such Registered Owner wishes to have such wire directed.

**Redemption Provisions**

**Optional Redemption.** At the option of the City, the Bonds or portions thereof maturing on October 1, 2026 and thereafter will be subject to redemption and payment prior to maturity, on October 1, 2025, and thereafter in whole or in part at any time at the redemption price of 100% of the principal amount thereof, plus accrued interest to the redemption date.

**Mandatory Sinking Fund Redemption.** The Bonds maturing on October 1, 20\_\_ and October 1, 20\_\_ are subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements of the Bond Ordinance on October 1 in each of the years and in the amounts set forth below, at 100% of the principal amount thereof plus accrued interest to the redemption date, without premium:

*Term Bonds Maturing October 1, 20\_\_*

| <u>Year</u>      | <u>Principal Amount</u> |
|------------------|-------------------------|
| 20__             | \$_____*                |
| 20__             | _____*                  |
| <hr/>            |                         |
| * Final Maturity |                         |

*Term Bonds Maturing October 1, 20\_\_*

| <u>Year</u>      | <u>Principal Amount</u> |
|------------------|-------------------------|
| 20__             | \$_____*                |
| 20__             | _____*                  |
| <hr/>            |                         |
| * Final Maturity |                         |

**Selection of Bonds for Redemption.** Bonds shall be redeemed only in the principal amount of \$5,000 or any integral multiple thereof. When less than all of the outstanding Bonds are to be redeemed, such Bonds shall be redeemed from maturities selected by the City, and Bonds of less than a full maturity shall be selected by the Paying Agent in \$5,000 units of principal amount in such equitable manner as the Paying Agent may determine.

**Notice and Effect of Call for Redemption.** In the event any of the Bonds are to be redeemed and paid prior to the maturity thereof the City, or the Paying Agent acting on behalf of the City, shall give written notice of its intention to redeem and pay said Bonds on a specified date, the same being described by number and maturity, said notice to be given by first class, registered or certified mail addressed to the original purchaser of the Bonds and to the registered owner of each Bond, each of said notices to be mailed at least 30 days prior to the date fixed for redemption. Whenever any Bond is called for redemption and payment, all interest on such Bond shall cease from and after the date for which such call is made, provided funds are available for its payment at the price hereinbefore specified.

The Paying Agent, as long as a book-entry system is used for the Bonds, will send notices of redemption only to the Securities Depository, as the registered owner of the Bonds. It is expected that the Securities Depository will notify the DTC Participants and request the DTC Participants to notify the Beneficial Owners of the Bonds of such redemption. Any failure of the Securities Depository to advise any of the DTC Participants, or of any DTC Participant or any nominee to notify any Beneficial Owner of the Bonds, of any such notice and its content or effect will not affect the validity or sufficiency of the proceedings relating to the redemption of the Bonds called for redemption.

**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. If the Book-Entry Only System (described under the following caption) is discontinued the following provisions would apply: 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 series, aggregate principal amount and maturity upon presentation to the principal payment office of the Paying Agent, subject to the terms, conditions and limitations set forth in the Bond Ordinance and upon payment of any tax, fee or other governmental charge required to be paid with respect to any such registration, transfer or exchange. Bonds are transferable only upon the Bond Register upon presentation and surrender of the Bonds, together with instructions for transfer.

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

Ownership interests in the Bonds will be available to purchasers only through a book-entry only system (the “Book-Entry Only System”) described in *Appendix D*.

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

### **Special Limited Obligations**

The Bonds are special obligations of the City, payable from and secured as to the payment of principal and interest by a pledge of, the net income and revenues derived by the City from the operation of the System and, under certain circumstances, the net proceeds of insurance and other funds held under the Bond Ordinance, after payment of expenses of operation and maintenance of the System.

**The Bonds will not be or constitute a general obligation of the City, nor will they constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter provision, limitation or restriction, and the taxing power of the City is not pledged to the payment of the Bonds either as to principal or interest.**

### **The Bond Ordinance**

*Any capitalized terms not otherwise defined herein or defined in Appendix C: “Summary of the Bond Ordinance” attached hereto are defined in the Bond Ordinance. Such summary of the Bond Ordinance does not purport to be complete and is qualified in its entirety by reference thereto.*

**Pledge of Revenues.** The Bonds shall be special obligations of the City payable from, and secured as to the payment of principal and interest by a pledge of, the net income and revenues derived from the operation of the System, after providing for the costs of operation and maintenance thereof, and the City pledges said net income and revenues to the payment of the principal of and interest on the Bonds. The Bonds shall not be or constitute a general obligation of the City, nor shall they constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter provision, limitation or restriction, and the taxing power of the City is not pledged to the payment of the Bonds, either as to principal or interest.

The Bonds will be on a parity with the Parity Bonds with respect to the revenues of the System.

The covenants and agreements of the City contained in the Bond Ordinance and in the Bonds shall be for the equal benefit, protection and security of the legal owners of any or all of the Bonds, all of which Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the funds pledged to the payment of the principal of and the interest on the Bonds, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in the Bond Ordinance. The Bonds shall stand on a parity and be equally and ratably secured with respect to the payment of principal and interest from the net income and revenues derived from the operation of the System and in all other respects with the Parity Bonds. The Bonds shall not have any priority with respect to the payment of principal or interest from said net income and revenues or otherwise over any Parity Bonds and any Parity Bonds shall not have any priority with respect to the payment of principal or interest from said net income and revenues or otherwise over the Bonds.

**Debt Service Reserve Fund.** The Bond Ordinance creates a Debt Service Reserve Fund that will be funded in the amount of the Debt Service Reserve Requirement at the time of issuance of the Bonds. All amounts paid and credit to the Debt Service Reserve Fund shall be expended and used by the City solely to prevent any default in the payment of interest on or principal of the Bonds on any Maturity date or Interest Payment Date if the moneys in the Debt Service Fund are insufficient to pay the interest on or principal of said Bonds as they become due.

The amounts required to be paid and credited to the Debt Service Reserve Fund shall be made at the same time and on a parity with the amounts at the time required to be paid and credited to the debt service reserve funds established for any Parity Bonds under the provisions of any Parity Ordinance.

After all payments and credits required at the time to be made under the provisions of the Bond Ordinance have been made for costs of operations and maintenance of the System and for debt service on the Bonds and any Parity Bonds, and upon the determination that the amount on deposit in the Debt Service Reserve Fund is less than the Debt Service Reserve Requirement, there shall next be paid and credited to the Debt Service Reserve Fund each month an amount equal to 1/12<sup>th</sup> of said shortfall until the amount on deposit in said Fund shall aggregate the Debt Service Reserve Requirement. So long as the Debt Service Reserve Fund aggregates the Debt Service Reserve Requirement, no further payments into said Fund shall be required, but if the City shall ever be required to expend and use a part of the moneys in said Fund for the purpose herein authorized and such expenditure shall reduce the amount of said Fund below the Debt Service Reserve Requirement, the City shall resume and continue said monthly payments into said Fund until said Fund shall again aggregate the Debt Service Reserve Requirement.

Moneys in the Debt Service Reserve Fund may be used to call the Bonds for redemption and payment prior to their Stated Maturity, provided all of the Bonds at the time Outstanding are called for payment and funds are available to pay the same according to their terms. Moneys in the Debt Service Reserve Fund shall be used to pay and retire the last Outstanding Bonds unless such Bonds and all interest thereon are otherwise paid. Any amounts in the Debt Service Reserve Fund in excess of the Debt Service Reserve Requirement on any Valuation Date shall be transferred to the Debt Service Fund.

If at any time the moneys in the Revenue Fund shall be insufficient to make in full the payments and credits at the time required to be made to the Debt Service Reserve Fund and to the debt service reserve funds established to protect the payment of any Parity Bonds, the available moneys in the Revenue Fund shall be divided among such debt service reserve funds in proportion to the respective principal amounts of said series of bonds at the time outstanding which are payable from the moneys in such debt service reserve funds.

**Depreciation and Replacement Account.** A Depreciation and Replacement Account has been established for the System and certain deposits are required to be made into such Depreciation and Replacement Account under the ordinances authorizing the Previously Issued Parity Bonds. Except as provided in the Bond Ordinance, moneys in the Depreciation and Replacement Account shall be expended and used by the City, if no other funds are available therefor, solely for the purpose of making emergency replacements and repairs in and to the System as may be necessary to keep the System in good repair and working order and to assure the continued effective and efficient operation thereof.

**Rate Covenant.** The City will fix, establish, maintain and collect such rates and charges for the use and services furnished by or through the System as will produce Revenues sufficient to (a) pay the Expenses of the System; (b) pay the principal of and interest on the System Revenue Bonds as and when the same become due; and (c) provide reasonable and adequate reserves for the payment of the System Revenue Bonds and the interest thereon and for the protection and benefit of the System as provided in the Bond Ordinance. The City further covenants and agrees that such rates and charges will be sufficient to enable the City to have in each Fiscal Year Net Revenues not less than an amount equal to the sum of (i) 110% of the Debt Service Requirements for such Fiscal Year, provided that interest on any System Revenue Bonds will be reduced by the

Subsidy Payments, if any, and (ii) the amount then owed to the issuer of any Debt Service Reserve Account Surety Bond in connection with any amount drawn thereon or required to replenish any Outstanding Parity Bond Debt Service Reserve Account as required by the related Parity Ordinance (such capitalized terms having the definitions set forth in *Appendix C*). The City will require the prompt payment of accounts for service rendered by or through the System and will promptly take whatever action is legally permissible to enforce and collect delinquent charges. The City will, from time to time as often as necessary, in accordance with and subject to applicable legal requirements, revise the rates and charges aforesaid in such manner as may be necessary or proper so that the Net Revenues will be sufficient to cover the obligations of the City under the Bond Ordinance and otherwise under the provisions of the Bond Ordinance. If for any two consecutive Fiscal Years Net Revenues shall be an amount less than as hereinbefore provided, the City will immediately employ a Consultant to make recommendations with respect to such rates and charges. A copy of the Consultant's report and recommendations shall be filed with the City Clerk and with the Underwriter of the Bonds and shall be furnished to any Registered Owner of the Bonds requesting a copy of the same, at the cost of such Registered Owner. The City shall, to the extent feasible, follow the recommendations of the Consultant.

***Parity Obligations.*** The City has the right under the Bond Ordinance to issue additional bonds on a parity with the Bonds and the Previously Issued Parity Bonds payable from the same sources and secured by the same revenues as the Bonds, but only in accordance with and subject to the terms and conditions set forth in the Bond Ordinance, which conditions include meeting either of the following requirements (such capitalized terms used below having the definitions set forth in *Appendix C*):

(1) The City is not in default in the payment of principal or interest on the Bonds or any Parity Bonds or in making any deposit into the funds and accounts under the Bond Ordinance or any Parity Ordinance; and

(2) The City provides a certificate showing either of the following:

(A) the average annual Net Revenues as set forth in the two most recent annual audits for Fiscal Years preceding the issuance of additional bonds, are at least equal to the sum of (i) 110% of the Average Annual Debt Service on the System Revenue Bonds, including the additional bonds proposed to be issued, to be paid out of the Net Revenues in all succeeding Fiscal Years (interest to be paid on any System Revenue Bonds will be reduced by Subsidy Payments, if any) and (ii) the amount then owed to the issuer of any Debt Service Reserve Account Surety Bond in connection with any amount drawn thereon. If the City has made any increase in rates for the use and services of the System and the increase has not been in effect during all of the two Fiscal Years for which annual audits are available, the City may add the additional Net Revenues which would have resulted if the rate increase had been in effect for the entire period to the audited Net Revenues, as certified by the Consultant; or

(B) The estimated average annual Net Revenues for the two Fiscal Years immediately following the issuance of the additional bonds or, if improvements are to be made to the System with the proceeds of the additional bonds, for the two Fiscal Years immediately following the Fiscal Year in which the improvements to the System being financed by the additional bonds are to be in commercial operation, as certified by the Consultant, is at least equal to the sum of (i) 110% of the average annual debt service on the System Revenue Bonds, including the additional bonds proposed to be issued, to be paid out of the Net Revenues in succeeding Fiscal Years following the commencement of commercial operation of the improvements (interest to be paid on any System Revenue Bonds will be reduced by Subsidy Payments, if any) and (ii) the amount then owed to the issuer of any Debt Service Reserve Account Surety Bond in connection with any amount drawn thereon. In determining the amount of estimated Net Revenues available for debt service for the purpose of this subsection, the Consultant may adjust the estimated net income and revenues by adding the estimated increase in Net Revenues resulting from any increase in rates for the use



and services of the System approved by the City and to become effective during the two Fiscal Years immediately following the Fiscal Year in which the improvements to the System being financed by the additional bonds are to be in commercial operation; and

(C) the City complies with the provisions of any Parity Ordinances relating to the issuance of Parity Bonds; and

(D) if any amounts are past due and owing to the issuer of any Debt Service Reserve Account Surety Bond with respect to a draw thereon, the issuer of such Debt Service Reserve Account Surety Bonds shall have consented in writing to the issuance of such additional revenue bonds or other obligations on a parity with the Bonds.

Further provisions of the Bond Ordinance are set forth in “**SUMMARY OF THE BOND ORDINANCE**” in *Appendix C* hereto.

## **THE SYSTEM**

### **General** [\*\*TO BE UPDATED \*\*]

The City Council is responsible for all basic policy design relating to the System including approval of the operating budget, short and long-term capital budgets and, subject to voter approval, bond issues. In addition, the City Council has sole authority to establish sewer rates. [The operation of the System was previously the responsibility of the City’s Public Works Department and managed by the Director of Public Works; however, as of October 1, 2015, the management and operation of the System is a division of Columbia Utilities. [The City’s Utilities Department is managed by \_\_\_\_\_].

### **History**

The System is charged with the responsibility to protect the public health and to ensure minimal impact upon the aquatic environment by adequate collection and treatment of wastewater within a regional area including the City. This is achieved by engineering review of proposed and existing facilities and through effective and economical operation and maintenance of collection and treatment systems.

The City established the sewer system in 1920. Previously sewer districts had been created by City ordinance in 1901, whereby sanitary sewer tax billing procedures were used to pay the related expenses of constructing new sewer facilities. In 1954, the City converted the district sewer system and other sewer facilities to a self-supporting City-owned sewer utility.

During 1969, annexation doubled the land area within the City limits and approximately doubled the number of treatment facilities. Certain of these facilities were replaced by an extensive trunk sewer expansion program. During the period from 1975 to 1977, approximately twenty (20) miles of sewer lines were constructed which eliminated a need for more than fifty (50) public and private lagoons, package treatment plants and pumping stations. From 1977 to 1986, an additional 100 public and private lagoons, small treatment plants and pump stations were eliminated by the construction of 100 miles of sanitary sewers. Presently, the System operates and maintains twenty-four (24) pumping stations and two wastewater treatment facilities.

### **Infrastructure**

The collection system consists of approximately 697 miles of gravity sewer lines varying in size from 6” to 72”. The treatment plant is a complete mix activated sludge type coupled with four constructed wetland units totaling 130 acres with cattails being the predominant vegetation. Effluent from four constructed wetland

units is discharged to the Eagle Bluffs Conservation area where it is used as a partial water source for their various management alternatives.

**Major and Minor Existing Treatment Facilities**

| <u>Facility</u>           | <u>Initial Year in Service</u> | <u>Design Flow (MGD)</u> | <u>Average Flow (MGD)</u> | <u>Peak Flow (MGD)</u> |
|---------------------------|--------------------------------|--------------------------|---------------------------|------------------------|
| Columbia Regional WWTP    | 1983                           | 25.20                    | 15.700                    | 72.00                  |
| Columbia Regional Airport | 1976                           | 0.02                     | 0.008                     | N/A                    |
| <b>Total Flows (MGD)</b>  |                                | 25.22                    | 15.708                    | 72.00                  |

**Condition of Infrastructure**

The overall health and condition of the System is good. There are presently 23 full time sanitary sewer maintenance personnel who operate and maintain approximately 697 miles of gravity sewer line and approximately 17,782 manholes. The System’s routine cleaning and inspection schedule calls for sewer lines, in which an obstruction may result in a backup into a residence or business, to be cleaned or inspected once every five years and all other lines shall be cleaned or inspected once every 10 years.

The City began City-wide inflow and infiltration reduction program in 2012 aimed at reducing inflow and infiltration from public sources (sewers and manholes) as well as private sources (laterals and lateral connections, sump pumps, down spouts etc.). As part of this program, the City utilizes an annual contract to rehabilitate public sewers. Since 2010 the City has rehabilitated approximately 160,000 feet of gravity sewer. The System also has an active program to inspect and educate food service establishments for compliance with all applicable codes to prevent the discharge of fats, oil and grease into the System. This program has greatly reduced the amount of stoppages in the System related to fats, oils and greases.

**Environmental and Regulatory Matters**

Federal and State authority’s environmental regulations and standards relating primarily to the discharge of wastewater have been followed and will continue to be complied with following the completion of the construction of the Project.

The System is subject to the regulations issued by the United States Environmental Protection Agency (EPA) in accordance with the Federal Water Pollution Control Act of 1972 (PL 92-500) and Amendments. The existing facilities have National Pollutant Discharge Elimination System Permits. The Missouri Department of Natural Resources receives monthly monitoring reports from the City’s Wastewater Treatment Facilities in compliance with Federal and State standards and regulations.

*[Remainder of this page intentionally left blank]*

**Capital Improvement Program**

The City's long-range capital improvement program for the System is summarized in the table below:

|   | <b>Fiscal Year Ended September 30</b> |                    |                    |                    |                     |
|---|---------------------------------------|--------------------|--------------------|--------------------|---------------------|
|   | <b>2017</b>                           | <b>2018</b>        | <b>2019</b>        | <b>2020</b>        | <b>2021</b>         |
| Routine Capital Spending                  | \$ 1,000,000                          | \$ 500,000         | \$ 500,000         | \$ 500,000         | \$ 500,000          |
| Major Capital Spending                    | 11,993,243                            | 9,135,347          | 6,622,300          | 5,598,608          | 17,734,457          |
| <i>Expected Method of Payment:</i>        |                                       |                    |                    |                    |                     |
| Pay-as-you-Go (Cash)                      | \$4,811,043                           | \$1,803,047        | \$ 1,572,800       | \$ 632,318         | \$5,830,963         |
| Debt Financed                             | <u>7,182,200</u>                      | <u>7,832,300</u>   | <u>5,549,500</u>   | <u>5,466,300</u>   | <u>12,403,494</u>   |
| <b>Total Sewer System Capital Program</b> | <b>\$11,993,243</b>                   | <b>\$9,635,347</b> | <b>\$7,122,300</b> | <b>\$6,098,618</b> | <b>\$18,234,457</b> |

### Historical Debt Service Coverage

The following table shows historical debt service coverage for all System Revenue Bonds prepared from the City's audited financial statements for the fiscal years ending September 30, 2014, 2015 and 2016. The debt service coverage calculations below are not indicative of the additional bonds test for Parity Obligations:

|   | <b>Fiscal Year Ending September 30</b> |              |              |
|---|--|--------------|--------------|
|   | <b>2014</b>                            | <b>2015</b>  | <b>2016</b>  |
| <b>Operating Revenue</b> <sup>(1)</sup>                       | \$20,320,219                           | \$21,897,787 | \$23,874,520 |
| <b>Less Operating and Maintenance Expenses</b> <sup>(2)</sup> | \$9,069,426                            | \$9,221,642  | \$10,407,206 |
| <b>Net Revenue Available for Debt Service</b>                 | \$11,250,793                           | \$12,676,145 | \$13,467,314 |
| <b>Debt Service</b> <sup>(3)</sup>                            | \$7,235,708                            | \$7,362,939  | \$8,380,585  |
| <b>Debt Service Coverage</b>                                  | 1.55x                                  | 1.75x        | 1.61x        |

<sup>(1)</sup> Includes investment revenue

<sup>(2)</sup> Excludes depreciation

<sup>(3)</sup> Debt service is shown gross of federal interest subsidies and includes debt service on certain Special Obligation Bonds of the City (Series 2012B Bonds and a portion of the Series 2015 Bonds)

### Projected Debt Service Coverage

The following table shows projected debt service coverage for the System Revenue Bonds, based on the System rates currently in effect, for the fiscal years ending September 30, 2017, 2018 and 2019. Additional user rate increases are anticipated for fiscal year 2018 (2%) and fiscal year 2019 (4%) and beyond, but have not yet been approved by the City.

|   | Fiscal Year Ending September 30 |                            |                            |
|---|---------------------------------|----------------------------|----------------------------|
|   | 2017                            | 2018                       | 2019                       |
| <b>Operating Revenue</b> <sup>(1)</sup>                       | \$21,262,247                    | \$22,184,232               | \$23,183,712               |
| <b>Less Operating and Maintenance Expenses</b> <sup>(2)</sup> | \$12,041,346                    | \$12,577,665               | \$13,142,725               |
| <b>Net Revenue Available for Debt Service</b>                 | \$9,220,901                     | \$9,606,567                | \$10,040,997               |
| <b>Debt Service</b> <sup>(3)</sup>                            | \$8,353,500                     | \$8,686,902 <sup>(4)</sup> | \$8,712,579 <sup>(4)</sup> |
| <b>Debt Service Coverage</b>                                  | 1.10x                           | 1.11x                      | 1.15x                      |

<sup>(1)</sup> Assumes 4% annual increase in operating revenues for FY 2018 and 4% annual increase in operating revenues for FY 2019]

<sup>(2)</sup> Assumes 5% annual increase in operating and maintenance expenses for FY 2017; 4% annual increase in operating and maintenance expenses for FY 2018; and 4% annual increase in operating and maintenance expenses for FY 2019; excludes depreciation

<sup>(3)</sup> Debt service is shown gross of federal interest subsidies and includes debt service on certain Special Obligation Bonds of the City (Series 2012B Bonds and a portion of the Series 2015 Bonds)

<sup>(4)</sup> Includes the projected debt service for the Bonds

These projections are based on certain assumptions which the City believes to be reasonable, but which may or may not prove to be correct, and no warranty is made that such projections will be realized. The achievement of any financial forecasts will be affected by economic conditions and other factors and is dependent upon the occurrence of future events which cannot be assured. Therefore, the actual results achieved may vary from the projections and such variations could be material.

### Additional System Information

For additional information about the System, see the sections “**HISTORY AND OPERATION OF THE SYSTEM**” and “**FINANCIAL INFORMATION CONCERNING THE SYSTEM**” in *Appendix A*.

### BONDOWNERS’ RISKS

*The following is a discussion of certain risks that could affect payments to be made by the City with respect to the Bonds. Such discussion is not, and is not intended to be, exhaustive and should not be considered as a complete description of all risks that could affect such payments. Prospective purchasers of the Bonds should analyze carefully all the information contained in this Official Statement, including the Appendices hereto, and additional information in the form of the complete documents summarized herein and in the Appendices hereto, copies of which are available as described herein.*

### General

The Bonds are special obligations of the City and are payable solely out of net income and revenues arising from the operation of the System, including any further extensions and improvements thereto hereafter

constructed or acquired by the City, after providing for the costs of operation and maintenance thereof. The Bonds do not constitute a general obligation of the City and do not constitute an indebtedness of the City within the meaning of any constitutional, charter or statutory provision, limitation or restriction. The Bonds are not payable by and have no recourse to the power of taxation. The Bondowners have no lien on or security interest in any of the physical assets of the City, including the System.

Although the City has agreed in the Bond Ordinance and is required by law to charge rates sufficient to pay, among other things, the principal of and interest on the Bonds (see the section “**Rate Covenant**” in “**Summary of the Bond Ordinance**” in *Appendix C*), there is no assurance that, because of adverse economic conditions, unexpected repairs, replacements or improvements to the System or other unanticipated circumstances, the City will be successful in collecting sufficient revenues to pay debt service on the Bonds on a timely basis.

### **Factors Affecting the Business Operations of the City**

One or more of the following factors or events, or the occurrence of other unanticipated factors or events, could adversely affect the City’s operations and financial performance to an extent that cannot be determined at this time:

1. *Changes in Management.* Changes in key management personnel could affect the capability of management of the City.

2. *Future Economic Conditions.* Increased unemployment or other adverse economic conditions or changes in demographics in the service area of the City; cost and availability of energy; an inability to control expenses in periods of inflation and difficulties in increasing charges. The City could encounter difficulties in providing sewer service to residents of the City upon acceptable financial terms which could affect the financial performance of the System.

3. *Environmental Regulation.* Water and sewer utilities are subject to continuing environmental regulation. Federal, state and local standards and procedures which regulate the environmental impact of water and sewer utilities are subject to change. These changes may arise from continuing legislative, regulatory and judicial action regarding such standards and procedures. Consequently, there is no assurance that facilities in operation will remain subject to the regulations currently in effect, will always be in compliance with further regulations or will always be able to obtain all required operating permits. An inability to comply with environmental standards could result in reduced operating levels or the complete shutdown of facilities not in compliance. Legislative, regulatory, administrative or enforcement action involving environmental controls that could adversely affect the operation of the facilities of the City. For example, if property of the City is found to be contaminated by hazardous materials, the City could be liable for significant clean-up costs even if it were not responsible for the contamination.

### **Debt Service Reserve Account**

At the time of issuance of the Bonds, the Debt Service Reserve Account will be funded with proceeds of the Bonds in the amount of \$\_\_\_\_\_ \* (the “Debt Service Reserve Requirement”). See also the section captioned “**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – The Bond Ordinance**” herein.

There can be no assurance that the amounts on deposit in the Debt Service Reserve Account will be available if needed for payment of the Bonds in the full amount of the Debt Service Reserve Requirement during the full term of the Bonds because (1) of fluctuations in the market value of the securities deposited

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\* Preliminary, subject to change.

therein or (2) if funds are transferred out of the Debt Service Reserve Account into the Debt Service Account, sufficient revenues may not be available in the Revenue Fund to replenish the Debt Service Reserve Account to full level of the Debt Service Reserve Requirement.

### **Enforcement of Remedies**

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

### **Amendment of the Bond Ordinance**

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

### **Risk of Audit**

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

### **Taxability**

The Bonds are not subject to prepayment nor is the interest rate subject to adjustment in the event of a determination by the Internal Revenue Service or a court of competent jurisdiction that the interest paid or to be paid on any Bonds is or was includible in the gross income of the Owners of the Bonds for federal income tax purposes. It may be that Owners of the Bonds would continue to hold their bonds, receiving principal and interest as and when due, but would be required to include such interest payments in gross income for federal income tax purposes.

### **Investment Ratings and Secondary Market**

The lowering or withdrawal of the investment rating initially assigned to the Bonds could adversely affect the market price for and the marketability of the Bonds. There is no assurance that a secondary market will develop for the purchase and sale of the Bonds. Prices of municipal securities in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and changes in operating performance of the entities operating the facilities subject to the municipal securities. From time to time the secondary market trading in selected issues of municipal securities will fluctuate as a result of the financial condition or market position of the underwriter, prevailing market conditions, or a material adverse change in the operations of that entity, whether or not the subject securities are in default as to principal and interest payments, and other factors which may give rise to uncertainty concerning prudent secondary market practices. Municipal

securities are generally viewed as long-term investments, subject to material unforeseen changes in the investor's circumstances, and may require commitment of the investor's funds for an indefinite period of time, perhaps until maturity.

### **Loss of Premium from Prepayment**

Any person who purchases a Bond at a price in excess of its principal amount or who holds such Bond 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 section herein captioned **"THE BONDS – Redemption Provisions."**

### **Defeasance Risks**

When all of the Bonds are deemed paid as provided in the Bond Ordinance, the requirements contained in the Bond Ordinance and all other rights granted to bond owners thereby shall terminate. Bonds or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of the Bond Ordinance if there has been deposited with the Paying Agent, or other commercial bank or trust company and having full trust powers, at or prior to the stated maturity or redemption date of said Bonds or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and Defeasance Obligations which, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal of said Bonds and interest accrued to the stated maturity or redemption date, or if default in such payment has occurred on such date, then to the date of the tender of such payments; provided, however, that if any such Bonds are to be redeemed prior to their stated maturity, (1) the City has elected to redeem such Bonds, and (2) either notice of such redemption shall have been given, or the City shall have given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Paying Agent to give such notice of redemption in compliance with the Bond Ordinance. Defeasance Obligations include, in addition to cash and obligations pre-refunded with cash, bonds, notes, certificates of indebtedness, treasury bills and other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America. Historically, such United States obligations have been rated in the highest rating category by the rating agencies. There is no legal requirement in the Bond Ordinance that Defeasance Obligations consisting of such United States obligations be or remain rated in the highest rating category by any rating agency. Prices of municipal securities in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and that could include the rating of Bonds defeased with Defeasance Obligations to the extent the Defeasance Obligations have a change or downgrade in rating.

## **BASIC DOCUMENTATION**

The City passed the Bond Ordinance for the purposes and subject to the terms and conditions described herein. A summary of the Bond Ordinance is contained in *Appendix C* to this Official Statement. Such summary of the Bond Ordinance does not purport to be complete and is qualified in its entirety by reference thereto.

## **LEGAL MATTERS**

### **Legal Proceedings**

As of the date hereof, there is no controversy, suit or other proceeding of any kind pending or threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way the legal organization of the City or its boundaries, or the right or title of any of its officers to their respective offices, or the legality of any official act in connection with the authorization, issuance and sale of the Bonds, or the constitutionality or validity of the Bonds or any of the proceedings had in relation to the

authorization, issuance or sale thereof, or the imposition and collection of rates and charges to pay the principal and interest thereof, or which might affect the City's ability to meet its obligations to pay the Bonds.

### **Approval of Legality**

All legal matters incident to the authorization and issuance of the Bonds are subject to the approval of Gilmore & Bell, P.C., Kansas City, Missouri, Bond Counsel. Bond Counsel has participated in the preparation of this Official Statement, but the factual and financial information appearing herein has been supplied or reviewed by certain officials of the City and certified public accountants, as referred to herein, and Bond Counsel expresses no opinion as to the accuracy or sufficiency thereof except for the matters appearing in the sections of this Official Statement captioned "**THE BONDS,**" "**SECURITY AND SOURCE OF PAYMENT FOR THE BONDS,**" "**LEGAL MATTERS – Approval of Legality**" and "**TAX MATTERS.**"

### **TAX MATTERS**

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

### **Opinion of Bond Counsel**

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

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

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

***Bank Qualification.*** The Bonds have not been designated as "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 Board and the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Board and the City have 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 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 heading “**TAX MATTERS.**”

### **Other Tax Consequences**

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

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

## RATINGS

Standard & Poor’s Global Ratings (“S&P”), has assigned the Bonds the rating of “\_\_\_\_\_” (\_\_\_\_\_ Outlook). Ratings reflect only the view of S&P at the time such ratings are given, and the City and the Financial Advisor make no representation as to the appropriateness of such ratings or that such ratings will not be changed, suspended or withdrawn.

S&P relies on the City and others for the accuracy and completeness of the information submitted in connection with the ratings. Ratings are not “market” ratings nor recommendations to buy, hold or sell the Bonds, and such ratings may be changed, suspended or withdrawn as a result of changes in, or unavailability of, information. Any downward revision, suspension or withdrawal of ratings could have an adverse effect on the market price and marketability of the Bonds.

## CONTINUING DISCLOSURE

The City has agreed to provide certain annual financial information and notices of certain events to the Municipal Securities Rulemaking Board via the Electronic Municipal Market Access system (“EMMA”), in accordance with Rule 15c2-12 promulgated by the Securities and Exchange Commission (the “Rule”). The City has agreed to have updated financial information and operating data for the City available by the final day of the sixth month following the end of the City’s Fiscal Year, beginning with the City’s Fiscal Year ending September 30, 2017. The financial statements of the City are audited by the City’s independent certified public accountants. The City has also agreed to provide prompt notice of the occurrence of certain material events with respect to the Bonds. See “**Summary of the Continuing Disclosure Undertaking**” in *Appendix C*.

### **Compliance with Prior Undertakings Under the Rule [\*\*TO BE UPDATED\*\*]**

The City’s record of compliance during the past five years is provided below:

| <u>Fiscal Year</u> | <u>Filing Deadline</u> | <u>Filing Date</u> | <u>Link to Filing Documentation</u>   |
|--------------------|------------------------|--------------------|---|
| 2012               | 3/29/2013              | 3/7/2013           | <a href="http://emma.msrb.org/ER653829-ER507051-ER909781.pdf">http://emma.msrb.org/ER653829-ER507051-ER909781.pdf</a>     |
| 2013               | 3/29/2014              | 2/10/2014          | <a href="http://emma.msrb.org/EA582702-EA455043-EA850918.pdf">http://emma.msrb.org/EA582702-EA455043-EA850918.pdf</a>     |
| 2014               | 3/29/2015              | 2/5/2015           | <a href="http://emma.msrb.org/ER838445-ER654266-ER1056046.pdf">http://emma.msrb.org/ER838445-ER654266-ER1056046.pdf</a>   |
| 2015               | 3/29/2016              | 2/17/2016          | <a href="http://emma.msrb.org/EP913125-EP708084-EP1109994.pdf">http://emma.msrb.org/EP913125-EP708084-EP1109994.pdf</a>   |
| 2016               | 3/29/2017              | 2/9/2016           | <a href="http://emma.msrb.org/ES1007673-ES789307-ES1190578.pdf">http://emma.msrb.org/ES1007673-ES789307-ES1190578.pdf</a> |

During the past five years, the City may not have made timely filings of event notices on EMMA relating to bond calls, defeasances or rating changes. The City believes this information was disseminated or available through other sources.

## MISCELLANEOUS

### Financial Statements

Audited financial statements of the City as of and for the fiscal year ended September 30, 2016, are included in *Appendix B*. These financial statements have been audited by RSM US LLP, 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*.

### Financial Advisor

Columbia Capital Management, LLC, Overland Park, Kansas, has acted as financial advisor to the City in connection with the sale of the Bonds (the “Financial Advisor”). The Financial Advisor is a “municipal advisor” as defined in the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The Financial Advisor has assisted the City in the preparation of this Official Statement and in other matters relating to the issuance of the Bonds. The Financial Advisor has not, however, independently verified the factual information contained in this Official Statement. The Financial Advisor will not be a manager or a member of any underwriting group submitting a proposal for the purchase of the Bonds.

### Underwriting

Based upon bids received by the City on April 3, 2017, the Bonds were awarded to \_\_\_\_\_ (the “Underwriter”). The Bonds are being purchased for reoffering by the Underwriter. The Underwriter has agreed to purchase the Bonds from the City at a price equal to \$\_\_\_\_\_ (representing the par amount of the Bonds less an underwriters’ discount of \$\_\_\_\_\_ and plus a net original issue premium of \$\_\_\_\_\_). The Underwriter is purchasing the Bonds from the City for resale in the normal course of the Underwriter’s business activities. The Underwriter may sell certain of the Bonds at a price greater than such purchase price, as shown on the inside cover page hereof. The Underwriter reserves the right to offer any of the Bonds to one or more purchasers on such terms and conditions and at such price or prices as the Underwriter, in its discretion, shall determine. The Underwriter reserves the right to join with dealers and other purchasers in offering the Bonds to the public. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) at prices lower than the public offering prices.

### Certification and Other Matters Regarding Official Statement

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

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

*[Remainder of this page intentionally left blank]*

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

**CITY OF COLUMBIA, MISSOURI**

By: \_\_\_\_\_  
Mayor

**APPENDIX A**

**CITY OF COLUMBIA, MISSOURI**

**APPENDIX A**

**INFORMATION CONCERNING THE CITY OF COLUMBIA, MISSOURI**

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## **GENERAL AND DEMOGRAPHIC INFORMATION**

### **General**

The City of Columbia (the “City”) is located in Boone County, Missouri (the “County”), in the central portion of the State of Missouri, approximately 125 miles east of Kansas City and 125 miles west of St. Louis. The City encompasses approximately 64 square miles and, according to the United States Census Bureau, as of July 1, 2015, has an estimated population of approximately 119,108.

The City is a constitutional home rule charter city and was organized in 1892 pursuant to the laws of the State of Missouri. The City is governed by a home rule charter and has a Council-Manager, non-partisan form of government which was adopted in 1949. The Mayor and six council members are elected for three year staggered terms with two council members elected each year. The City is divided into six wards, with one council member representing each ward and the Mayor being elected at large.

The Mayor presides over meetings of the City Council. The City Council establishes utility and tax rates and authorizes all municipal indebtedness. Tax rates are established by the City Council in such amounts necessary to generate tax revenues shown in the adopted budget. As required by state law, the aggregate City budget may not include any expenditures in excess of anticipated revenues. The City’s fiscal year ends on September 30.

The City is a full service City which provides not only the traditional basic services such as public safety, public works and planning, but also a wide variety of enterprise activities. Columbia provides a majority of utility services including water, electricity, solid waste, storm water and sanitary sewers. Additionally, Columbia operates three transportation enterprises: the regional airport, public transportation and railroad operations.

### **Municipal Services and Utilities**

The City provides the normal range of governmental services, such as street construction and maintenance, police protection, fire protection, streets and bridges, civil defense, code enforcement, building inspections, health services, animal control and parks. These items are financed from the revenues of the General Fund.

In addition, the City owns and operates several enterprise and internal service operations. Enterprise operations include: electric (generation and distribution) water, sewer, solid waste, airport, transit system, storm water, parking, railroad, transload and recreation services. Some enterprise operations receive operating subsidies from the General Fund. Internal service operations consist of custodial and maintenance service, utility customer services, information services, employee benefit, self-insurance, public communications, GIS services and fleet operations. These operations provide services to all City departments and assess charges to departments based upon usage in amounts sufficient to cover their costs of operation.

### **Economic Condition and Outlook**

The City’s geographic location serves as a crossroad for travelers going east and west on Interstate 70 and north and south on U.S. 63. Columbia has excellent transportation resources being serviced by the Columbia Regional Airport, Columbia Terminal Railroad, Columbia Transit and two interstate bus services.

The City is the location of the main campus of the University of Missouri, Columbia College, and Stephens College. Approximately 52,613 students attend these institutions of higher education during the regular school year. In addition to higher education, Columbia is also a regional medical center with eight hospitals. Insurance is a major business operation in the City with home offices of Shelter Insurance Company, the Columbia Insurance Group, and a regional office of State Farm Insurance Company. Columbia is a regional shopping area for central Missouri with 16 shopping centers. Other area industry consists of



printing, structural metal fabrication, structural materials production, electronic products, auto parts and food processing.

All of these activities have given the City a fairly stable employment base. The average unemployment rate within the City’s Metropolitan Statistical Area (the “MSA”) for calendar year 2016 was approximately 3.2%, which is below the national unemployment average of approximately 4.9%.

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

| <u>Major Employers</u>               | <u>Type of Business</u> | <u>Number of Employees</u> |
|--------------------------------------|-------------------------|----------------------------|
| 1. University of Missouri – Columbia | Education               | 8,740                      |
| 2. University Hospital and Clinics   | Medical                 | 4,502                      |
| 3. Columbia Public Schools           | Education               | 2,524                      |
| 4. Boone Hospital Center             | Medical                 | 2,000                      |
| 5. Veterans United Home Loans        | Lender                  | 1,442                      |
| 6. Harry S. Truman Veterans Hospital | Government              | 1,400                      |
| 7. City of Columbia                  | Government              | 1,360                      |
| 8. Shelter Insurance Companies       | Insurance               | 1,128                      |
| 9. MBS Textbook Exchange, Inc.       | Textbook distribution   | 851                        |
| 10. State Farm Insurance Companies   | Insurance               | 850                        |

Source: Columbia Regional Economic Development, Inc., Columbia/Boone County, Missouri FACTS 2016.

The following table sets forth employment figures for the City’s MSA for the calendar years 2012 through 2016:

| <u>Calendar Year Ended December 31</u> | <u>Average Total Labor Force</u> | <u>Average Employed</u> | <u>Average Unemployed</u> | <u>Average Unemployment Rate</u> |
|--|----------------------------------|-------------------------|---------------------------|----------------------------------|
| 2012                                   | 96,158                           | 91,779                  | 4,379                     | 4.60%                            |
| 2013                                   | 97,264                           | 92,887                  | 4,377                     | 4.50%                            |
| 2014                                   | 98,216                           | 94,156                  | 4,060                     | 4.10%                            |
| 2015                                   | 100,284                          | 96,793                  | 3,491                     | 3.50%                            |
| 2016                                   | 102,193                          | 98,918                  | 3,275                     | 3.21%                            |

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

### General Demographic Statistics

The following table sets forth statistical information for the City’s MSA for the calendar years 2011 through 2015:

| <u>Year</u> | <u>Estimated Population</u> | <u>Median Age</u> | <u>Personal Income</u> | <u>Per Capita Personal Income</u> |
|-------------|-----------------------------|-------------------|------------------------|-----------------------------------|
| 2011        | 111,213                     | 26.5              | \$6,567,000            | \$37,350                          |
| 2012        | 112,414                     | 29.8              | 6,667,000              | 39,557                            |
| 2013        | 115,276                     | 26.9              | 7,006,491              | 41,028                            |
| 2014        | 119,476                     | 26.6              | 7,153,637              | 41,418                            |
| 2015        | 119,108                     | 26.6              | 7,401,758              | 42,302                            |

Source: Comprehensive Annual Financial Report, Fiscal Year Ended September 30, 2016

## Building Permits

The following table sets forth statistical information regarding the number and estimated valuation of building permits within the City for the fiscal years ended September 30, 2012 through 2016.

| <b>Fiscal Year</b><br><b><u>Ended</u></b> | <b><u>Commercial Construction</u></b>            |  | <b><u>Residential Construction</u></b>           |  |
|---|--|--|--|--|
|   | <b><u>Number of</u></b><br><b><u>Permits</u></b> | <b><u>Estimated</u></b><br><b><u>Valuation</u></b> | <b><u>Number of</u></b><br><b><u>Permits</u></b> | <b><u>Estimated</u></b><br><b><u>Valuation</u></b> |
| 2012                                      | 34   | \$64,741,303                                       | 411  | \$94,993,740                                       |
| 2013                                      | 42   | 55,728,531   | 953  | 214,609,987  |
| 2014                                      | 36   | 59,173,040   | 577  | 209,135,925  |
| 2015                                      | 48   | 38,720,198   | 493  | 157,889,702  |
| 2016                                      | 64   | 71,368,438   | 611  | 242,584,577  |

Source: Comprehensive Annual Financial Report, Fiscal Year Ended September 30, 2016

## DEBT STRUCTURE OF THE CITY

### Current Long-Term General Obligation Indebtedness

The City has no outstanding general obligation debt.

### History of General Obligation Indebtedness

The City has not had any outstanding general obligation bond indebtedness since 2002. The City has never defaulted on the payment of any of its debt obligations.

### Debt Summary

|                           |   |                 |
|---------------------------|---|-----------------|
| <b>(as of 12/31/2016)</b> | 2016 Assessed Valuation:  | \$1,937,894,504 |
|                           | 2016 Estimated Actual Valuation:                                    | \$8,406,295,719 |
|                           | Population (July 1, 2015 Estimated):                                | 119,108         |
|                           | Total Outstanding General Obligation Debt:                          | \$0             |
|                           | Overlapping General Obligation Debt: <sup>(1)</sup>                 | \$226,596,362   |
|                           | Direct and Overlapping General Obligation Debt:                     | \$226,596,362   |
|                           | Ratio of General Obligation Debt to Assessed Valuation:             | N/A             |
|                           | Ratio of General Obligation Debt to Estimated Actual Valuation:     | N/A             |
|                           | Per Capita General Obligation Debt:                                 | \$0             |
|                           | Ratio of Direct and Overlapping Debt to Assessed Valuation:         | 11.69%          |
|                           | Ratio of Direct and Overlapping Debt to Estimated Actual Valuation: | 2.70%           |
|                           | Per Capita Direct and Overlapping Debt:                             | \$1,902.44      |

<sup>(1)</sup> Includes general obligation debt of political subdivisions with boundaries overlapping the City. See “**DEBT STRUCTURE OF THE CITY – Overlapping General Obligation Indebtedness**” below.

### Overlapping General Obligation Indebtedness

The following table sets forth overlapping and underlying general obligations indebtedness of political subdivisions with boundaries overlapping the City or lying within the City and the percent attributable (on the basis of assessed valuation for calendar year ended December 31, 2016) to the City, based on information

furnished by the jurisdictions responsible for the debt. The City has not independently verified the accuracy or completeness of such information. Furthermore, political subdivisions may have ongoing programs requiring the issuance of substantial additional bonds, the amounts of which cannot be determined at this time. The general obligation indebtedness is as of April 1, 2017.

| <u>Jurisdiction</u>      | <u>Bond Issues<br/>Outstanding</u> | <u>Percent<br/>Applicable to<br/>the City</u> | <u>Applicable to<br/>City of<br/>Columbia</u> |
|--------------------------|------------------------------------|---|---|
| Boone County             | \$1,684,400                        | 72.6%   | \$1,222,874                                   |
| Columbia School District | 270,232,000                        | 83.4%   | <u>225,373,488</u>                            |
| Total                    |                                    |   | <u>\$226,596,362</u>                          |

*Source: Missouri State Auditor Bond Registration Reports; Boone County Collector; Comprehensive Annual Financial Report, Fiscal Year Ended September 30, 2016.*

### **Legal Debt Capacity**

Under Article VI, Section 26(b), (c) and (d) of the Constitution of Missouri, the City may incur indebtedness for authorized City purposes not to exceed 20% of the valuation of taxable tangible property in the City according to the last completed assessment upon the approval of four-sevenths of the qualified voters in the City voting on the proposition at any municipal primary or general election or two-thirds voter approval on any other election date. As of December 31, 2016, the legal debt limit of the City is \$387,578,901 (which is equal to 20% of the City's assessed valuation for 2016 of \$1,937,894,504). The City has no outstanding indebtedness, which leaves a legal debt margin of \$387,578,901.

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

## Revenue Bonds

The payment of the following revenue bonds are secured by the net revenues of the System and are recorded in the Sanitary Sewer Fund. Outstanding principal amounts of such revenue bonds as of March 1, 2017, were as follows:

| <u>Revenue Bonds</u>   | <u>Interest Rate</u> | <u>Date of Issue</u> | <u>Term In Years</u> | <u>Maturity Date</u> | <u>Original Issue</u> | <u>Amount Outstanding</u>  |
|--|----------------------|----------------------|----------------------|----------------------|-----------------------|----------------------------|
| Sewerage System Revenue Bonds, Series 1999                               | 3.625 – 5.250%       | 06/01/1999           | 20                   | 01/01/2020           | 3,730,000             | \$660,000                  |
| Sewerage System Revenue Bonds, Series 1999B                              | 4.125 – 6.000%       | 12/01/1999           | 20                   | 07/01/2020           | 1,420,000             | 330,000                    |
| Sewerage System Revenue Bonds, Series 2000                               | 4.350 – 5.625%       | 11/01/2000           | 20                   | 07/01/2021           | 2,445,000             | 710,000                    |
| Sewerage System Revenue Bonds, Series 2002                               | 3.000 – 5.375%       | 05/08/2002           | 24                   | 01/01/2023           | 2,230,000             | 765,000                    |
| Sewerage System Revenue Bonds, Series 2003                               | 2.00 – 5.25%         | 04/09/2003           | 20                   | 01/01/2024           | 3,620,000             | 1,440,000                  |
| Sewerage System Revenue Bonds, Series 2004                               | 2.00 – 5.25%         | 05/28/2004           | 20                   | 01/01/2025           | 650,000               | 300,000                    |
| Sewerage System Revenue Bonds Series 2006                                | 4.00 – 5.00%         | 11/01/2006           | 20                   | 07/01/2026           | 915,000               | 505,000                    |
| Sewerage System Revenue Bonds, Series 2007                               | 4.00 – 5.00%         | 11/15/2007           | 20                   | 01/01/2028           | 1,800,000             | 1,075,000                  |
| Taxable Sewerage System Revenue Bonds (Build America Bonds), Series 2009 | 5.44 – 6.02%         | 9/29/2009            | 25                   | 10/01/2034           | 10,405,000            | 10,405,000                 |
| Sewerage System Revenue Bonds (Direct Loan – ARRA), Series 2010A**       | 1.49%                | 1/14/2010            | 22                   | 7/01/2032            | 59,335,000**          | 47,788,300                 |
| Sewerage System Revenue Bonds, Series 2012                               | 0.35 – 3.75%         | 3/29/2012            | 24                   | 10/1/2036            | 9,365,000             | 7,920,000                  |
| Sewerage System Refunding Revenue Bonds, Series 2013                     | 0.38 – 1.10%         | 7/2/2013             | 5                    | 10/1/2017            | 3,325,000             | 665,000                    |
| Sewerage System Revenue Bonds, Series 2015                               | 3.00 – 5.00%         | 3/31/2015            | 20                   | 10/1/2035            | 18,200,000            | 17,100,000                 |
| <b>Total Sewer Revenue Bonds</b>   |                      |                      |                      |                      |                       | <b><u>\$89,663,300</u></b> |

\*\* The Series 2010 Sanitary Sewerage System Revenue Bonds, Series A, had a not to exceed amount of \$59,335,000 and the final principal amount issued was \$58,030,644.79.

The City may issue additional revenue bonds secured by the Net Revenues of the System without limitation on amount, but in accordance with the requirements of the ordinances by which the above-referenced revenue bonds were issued, upon approval of a majority of the voters voting thereon.

## Other Sewer System-Related Obligations

*Special Obligation Refunding Bonds, Series 2012B.* On May 21, 2012, the City issued \$1,465,000 aggregate principal amount of its Special Obligation Refunding Bonds, Series 2012B (Sewer System Project – Annual Appropriation Obligation) (the “Series 2012 Special Obligation Bonds”). The Series 2012 Special Obligation Bonds were issued for the purpose of (i) currently refunding the City’s Special Obligation Capital Improvement Bonds, Series 2001A, (ii) funding a debt service reserve for the Series 2012 Special Obligation Bonds and (iii) paying certain costs of issuing the Series 2012 Special Obligation Bonds. The Series 2012 Special Obligation Bonds are special limited obligations of the City, payable from the annual appropriation of funds by the City for that purpose; however, the Series 2012 Special Obligation Bonds are to be treated as revenue bonds of the System and are secured by a first lien on the Net Revenues of the System. Interest is paid semiannually on April 1 and October 1 and principal payments are due each October 1 through October 1, 2020. The interest rate on the Series 2012 Special Obligation Bonds is 2.00%. As of March 1, 2017, the Series 2012 Special Obligation Bonds remain outstanding in the principal amount of \$680,000.

*Special Obligation Revenue Refunding Bonds, Series 2015.* On December 8, 2015, the City issued \$7,080,000 aggregate principal amount of its Special Obligation Refunding Bonds, Series 2015 (the “Series

2015 Special Obligation Bonds”). The Series 2015 Special Obligation Bonds were issued for the purpose of (i) currently refunding the City’s Special Obligation Refunding and Improvement Bonds, Series 2006 (the “Series 2006 Special Obligation Bonds”) and (ii) paying certain costs of issuing the Series 2015 Special Obligation Bonds. The City’s Series 2006 Special Obligation Bonds were originally issued for the purpose of (i) currently refunding the City’s Special Obligation Refunding and Capital Improvement Bonds, Series 1996, (ii) currently refunding the City’s Parking Utility Revenue Bonds, Series 1995, (iii) constructing, improving and extending the System, (iv) constructing and improving the City’s solid waste utility; (v) funding a debt service reserve for the Series 2006 Special Obligation Bonds and (vi) paying certain costs of issuing the Series 2006 Special Obligation Bonds. The Series 2015 Special Obligation Bonds are special limited obligations of the City, payable from the annual appropriation of funds by the City for that purpose. Interest is paid semiannually on February 1 and August 1 and principal payments are due each February 1 through February 1, 2026. Interest rates on the Series 2015 Special Obligation Bonds range from 2.00% to 5.00%. As of March 1, 2017, the Series 2015 Special Obligation Bonds remain outstanding in the principal amount of \$5,130,000. The amount outstanding attributable to the System is \$3,965,000.

### **No Default**

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

## **FINANCIAL INFORMATION CONCERNING THE CITY**

### **Accounting, Budgeting and Auditing Procedures**

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

The financial statements for the pension and other post-employment benefit trust funds are prepared using the economic resources management focus and the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due, as the City has a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, interest and principal on general long-term debt is recognized when due, or when payments are due early in the next fiscal year, and the advance of resources to the debt service fund is mandatory, and debt service expenditures are recognized before year-end to match the resources provided for these payments.

Property tax, sales tax, gasoline tax, motor vehicle tax, interest, and revenues from other governmental units associated with the current fiscal period are all considered to be susceptible to accrual and so they have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City is required by law to prepare an annual budget of estimated receipts and disbursements for the coming fiscal year under the direction of the City Manager which is presented to the City Council in August for approval after a public hearing. The City's fiscal year is October 1 through September 30. The budget lists estimated receipts by fund, sources and estimated disbursements by fund and purposes, and includes a statement of the rate of levy per hundred dollars of assessed valuation required to raise each amount shown on the budget as coming from ad valorem taxes.

The financial records of the City are audited annually by a firm of independent certified public accountants in accordance with generally accepted auditing standards. In recent years, the annual audit has been performed by McGladrey LLP; however, the annual audit for the fiscal years ended September 30, 2015 and September 30, 2016, was completed by RSM US LLP. The copies of past audit reports are on file in the City Clerk's office and are available for review. Financial Statements are also available online at the City's website [www.gocolumbiamo.com](http://www.gocolumbiamo.com).

### Sources of Revenue

The City finances its general operations through the following taxes and other miscellaneous sources as indicated below for the 2015 and 2016 fiscal years:

| <u>Source</u>                         | <u>2015</u>                 | <u>2016</u>                |
|---------------------------------------|-----------------------------|----------------------------|
| General Property Taxes                | \$ 7,572,050                | \$7,898,843                |
| Sales Tax <sup>(1)</sup>              | 22,832,373                  | 23,321,470                 |
| Other Local Taxes                     | 12,364,653                  | 11,641,679                 |
| Licenses and Permits                  | 1,012,346                   | 1,031,218                  |
| Fines                                 | 2,081,131                   | 1,805,859                  |
| Fees and Service Charges              | 2,511,353                   | 3,251,931                  |
| Intragovernmental Revenues            | 4,247,354                   | 4,407,469                  |
| Revenue from other Governmental Units | 5,550,225                   | 4,119,790                  |
| Investment Revenue                    | 954,208                     | 699,133                    |
| Miscellaneous Revenue                 | 1,244,959                   | 1,215,312                  |
| <b>Totals</b>                         | <b><u>\$ 60,370,652</u></b> | <b><u>\$59,392,704</u></b> |

Source: *Comprehensive Annual Financial Report, Fiscal Years Ended September 30, 2015 and 2016*

<sup>(1)</sup> Represents sales taxes collected from City's 1-cent General Sales Tax levy.

Sales tax revenues currently represent nearly 38% of the City of Columbia's general fund revenues. The sales tax revenues of the City are derived from a 1-cent General Sales Tax, a ½-cent Transportation Sales Tax, a ¼-cent Capital Improvements Sales Tax and a ¼-cent Local Parks Sales Tax.

The General Sales Tax is used to fund basic government services such as Police, Fire, Health and other City services. A small portion of the General Sales Tax is also dedicated to capital projects for basic governmental operations. This is a permanent tax with no expiration date.

Transportation Sales Tax revenues are used to pay for basic maintenance of streets, provide subsidies to the operations of the bus system and airport and provide funding for capital projects for the bus system and the airport. Any remaining funds (approximately \$1 million annually) are available for road projects. This is a permanent tax with no expiration date.

The City has utilized the Capital Improvements Sales Tax to meet capital needs for Public Safety, Parks and Transportation. This ¼-cent tax was first approved by voters in 1991 and has been renewed in 1995, 2001, 2005 and in 2015. The current tax expires on December 31, 2025.

Below is a table reflecting the sales tax revenues collected by the City for fiscal years ended September 30, 2012 through 2016.

| <u>Year</u> | <u>General</u> | <u>Transportation</u> | <u>Capital<br/>Improvements</u> | <u>Local Park</u> |
|-------------|----------------|-----------------------|---------------------------------|-------------------|
| 2012        | \$20,840,696   | \$10,393,186          | \$5,196,536                     | \$5,193,354       |
| 2013        | 21,627,785     | 10,800,210            | 5,399,873                       | 5,398,029         |
| 2014        | 22,463,031     | 11,153,372            | 5,576,735                       | 5,576,587         |
| 2015        | 22,832,373     | 11,432,224            | 5,715,955                       | 5,716,160         |
| 2016        | 23,321,470     | 11,675,199            | 5,837,471                       | 5,837,277         |

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Source: *Comprehensive Annual Financial Report, Fiscal Years Ended September 30, 2012 through 2016.*

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

## General Fund Summary

The following is a summary of the revenues, expenditures and changes in fund balance for the City's General Fund for the five-year period ended September 30, 2016, which information has been derived from the audited financial statements of the City for that period.

### REVENUES, EXPENDITURES AND CHANGES IN GENERAL FUND BALANCE

|   | <u>FY2012</u>       | <u>FY2013</u>       | <u>FY2014</u>       | <u>FY2015</u>       | <u>FY2016</u>       |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>REVENUES:</b>                                  |                     |                     |                     |                     |                     |
| General property taxes                            | \$ 7,097,767        | \$ 7,228,203        | \$ 7,319,211        | \$ 7,572,050        | \$7,898,843         |
| Sales tax   | 20,840,696          | 21,627,785          | 22,463,031          | 22,832,373          | 23,321,470          |
| Other local taxes                                 | 11,931,167          | 12,262,325          | 12,804,876          | 12,364,653          | 11,641,679          |
| Licenses and permits                              | 882,974             | 921,132             | 965,309             | 1,012,346           | 1,031,218           |
| Fines   | 2,184,075           | 1,970,138           | 1,883,631           | 2,081,131           | 1,805,859           |
| Fees and service charges                          | 1,973,292           | 2,658,150           | 2,961,020           | 2,511,353           | 3,251,931           |
| Intragovernmental revenue                         | 4,130,138           | 3,931,555           | 3,944,617           | 4,247,354           | 4,407,469           |
| Revenue from other governmental Units             | 4,503,591           | 4,103,531           | 5,015,621           | 5,550,225           | 4,119,790           |
| Investment revenue (loss)                         | 417,452             | (397,290)           | 567,866             | 954,208             | 699,133             |
| Miscellaneous                                     | 1,412,146           | 1,208,861           | 1,316,818           | 1,244,959           | 1,215,312           |
| <b>Total Revenues</b>                             | <b>\$55,373,298</b> | <b>\$55,514,390</b> | <b>\$59,242,000</b> | <b>\$60,370,652</b> | <b>\$59,392,704</b> |
| <b>EXPENDITURES:</b>                              |                     |                     |                     |                     |                     |
| Current:  |                     |                     |                     |                     |                     |
| Policy development and administration             | \$ 7,443,163        | \$ 7,609,817        | \$ 8,014,699        | \$ 9,831,674        | \$10,397,355        |
| Public safety                                     | 37,426,056          | 37,839,647          | 38,329,749          | 40,931,976          | 40,664,606          |
| Transportation                                    | 7,280,684           | 7,728,445           | 7,596,788           | 8,218,875           | 7,643,352           |
| Health and environment                            | 7,444,661           | 7,469,627           | 7,623,046           | 8,912,085           | 9,265,460           |
| Personal development                              | 6,603,425           | 6,837,072           | 6,991,200           | 7,721,651           | 7,702,207           |
| Misc. nonprogrammed activities                    | 4,775,185           | 5,006,410           | 4,785,017           | 5,642,247           | 272,656             |
| Capital outlay                                    | 765,509             | 1,482,056           | 1,644,068           | 1,611,530           | 1,744,541           |
| Debt Service:                                     |                     |                     |                     |                     |                     |
| Principal   | 80,009              | 76,509              | 78,483              | -                   | -                   |
| Interest  | 498                 | 3,999               | 2,024               | -                   | -                   |
| <b>Total Expenditures</b>                         | <b>\$71,819,190</b> | <b>\$74,053,582</b> | <b>\$75,065,074</b> | <b>\$82,870,038</b> | <b>\$77,690,177</b> |
| Excess (Deficiency) of Revenues over Expenditures | \$(16,445,892)      | \$(18,539,192)      | \$(15,823,074)      | \$(22,499,386)      | \$(18,297,473)      |
| <b>OTHER FINANCING SOURCES (USES)</b>             |                     |                     |                     |                     |                     |
| Transfers in                                      | \$21,311,398        | \$21,923,249        | \$23,490,510        | \$23,531,305        | \$24,987,499        |
| Transfers out                                     | (3,197,024)         | (3,527,590)         | (3,500,448)         | (4,372,969)         | (2,282,132)         |
| Issuance of capital lease                         | 235,000             | -                   | -                   | -                   | -                   |
| <b>Total Other Financing Sources (Uses)</b>       | <b>\$18,349,374</b> | <b>\$18,395,659</b> | <b>\$19,990,062</b> | <b>\$19,158,336</b> | <b>\$22,705,367</b> |
| Net Change in Fund Balances                       | \$1,903,482         | \$(143,533)         | \$4,166,988         | \$(3,341,050)       | \$4,407,894         |
| FUND BALANCE – BEGINNING                          | \$27,918,279        | \$29,821,761        | \$29,678,228        | \$33,845,216        | \$30,504,166        |
| FUND BALANCE - ENDING                             | \$29,821,761        | \$29,678,228        | \$33,845,216        | \$30,504,166        | \$34,912,060        |

## Employee Retirement and Pension Plans

The City contributes to the Police Retirement Fund and the Firefighters' Retirement Fund, two separate single-employer defined benefit pension plans. The City acts as an agent of the plans and has administrative responsibility for the assets of the plans. All full-time regular police officers and full-time



regular firefighters are participants in their respective plans. Participants become fully vested at the completion of their probationary period, which is generally 12 months after employment. Participants employed September 30, 2012 or earlier are eligible for an annual retirement benefit, payable monthly for life, upon reaching the age of 65, or 20 years of credited service. Police Participants employed October 1, 2012 or later are eligible for an annual retirement benefit, payable monthly for life, upon reaching the age of 65, or 25 years of credited service. Firefighter Participants employed October 1, 2012 or later are eligible for an annual retirement benefit, payable monthly for life, upon having completed at least one year of service and reaching the age of 55. The plans also provide early retirement, death and disability benefits.

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

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

All full-time employees are eligible to participate in LAGERS. Benefits vest after five years of credited service. LAGERS provides retirement benefits, early retirement, death and disability benefits. The City is required by statute to contribute the amounts necessary to finance the coverage of its employees using the actuarial basis specified by state statute. For the fiscal year ended September 30, 2016, the employer contribution rate was 15.1% for general employees and 17.0% for water and electric utility employees. The employer contribution rate for the fiscal year ending September 30, 2017 decreased slightly to 13.8% for general employees and 15.1% for water and electric utility employees.

Membership of each plan consisted of the following at the date of the latest actuarial valuation:

|   | <b><u>Police<br/>Pension</u></b> | <b><u>Fire<br/>Pension</u></b> | <b><u>LAGERS</u></b> |
|---|----------------------------------|--------------------------------|----------------------|
| Number of Participants:                         |                                  |                                |                      |
| Current membership (receiving benefits) *       | 157                              | 156                            | 621                  |
| Terminated entitled, not yet receiving benefits | 19                               | 3                              | 293                  |
| Current active members *                        | 150                              | 125                            | 998                  |

\* Included in the total for current active and current membership (receiving benefits) Police and Fire members are 3 Fire DROP (Deferred Retirement Option Program) members and 5 Police DROP members

Source: *Comprehensive Annual Financial Report, Fiscal Year Ended September 30, 2016*

For information specific to the City’s participation in LAGERS, including the City’s past contributions, net pension liability, and pension expense, see “Note XV. Employee Retirement Systems and Plans and Pension” and the tables under the section “OPEB Trust Funds Information” on pages 104 through 111 to the City’s Comprehensive Annual Financial Report for fiscal year ended September 30, 2016, included in **Appendix B** to this Official Statement. For additional information regarding LAGERS, see the 2016

LAGERS CAFR.

**Funding Policy for Police and Fire Pension**

The City’s Police and Fire pension contributions for the fiscal year ended September 30, 2016, were made in accordance with actuarially determined contribution requirements determined through actuarial valuation.

The City’s annual pension cost for the fiscal year ended September 30, 2016 and the related information for each plan follows:

|                                | <u>Police Plan</u>                                  | <u>Fire Plan</u>      | <u>LAGERS</u>                                     |
|--------------------------------|---|-----------------------|---|
| Contribution rates:            |   |                       |   |
| City-general, utility          | 39.19%  | 56.46%                | 15.1%, 17.0%                                      |
| Plan members - contributory    | 8.35%   | 16.32%                | --  |
| Plan members - noncontributory | 3.50%   | --                    | --  |
| Annual pension cost            | \$3,812,192   | \$5,226,250           | \$7,801,471                                       |
| Contributions made             | \$3,812,192   | \$5,226,250           | \$7,801,471                                       |
| Actuarial valuation date       | 09/30/2015  | 09/30/2015            | 02/29/2016  |
| Actuarial cost method          | entry age normal                                    | entry age normal      | entry age normal                                  |
| Amortization method            | level % of pay-closed                               | level % of pay-closed | level % of payroll-closed                         |
| Remaining amortization period  | 24 years  | 24 years              | 13 to 26 years                                    |
| Asset valuation method         | smooth 4 year market                                | smooth 4 year market  | smooth 5 year market                              |
| Actuarial assumptions:         |   |                       |   |
| Investment rate of return      | 7.5%  | 7.5%                  | 7.25%   |
| Projected salary increases*    | 0% - 10.3%  | 0% - 10.3%            | 3.25% - 6.55%                                     |
| *Includes inflation at         | 3.5%  | 3.5%                  | 3.25%   |
| Benefit increases              | 2% annually until attend age of 62; 2.2% thereafter | 2% annually           | 4% maximum annually based on consumer price index |

*Source: Comprehensive Annual Financial Report, Fiscal Year Ended September 30, 2016*

Pursuant to a September 30, 2015 actuarial report, the Unfunded Actuarial Accrued Liability for the Police Plan is \$45,553,923 and for the Fire Plan is \$68,319,266.

Prior to September 22, 1985, participants in the Police Plan were able to elect to receive a higher salary and make a contribution to the plan or elect to receive a lower salary and not make a contribution.

**Annual Pension Cost**

**Schedule of Employer Contributions**

|                | <u>Fiscal Year</u><br><u>Ending</u> | <u>Annual Pension</u><br><u>Cost (APC)</u> | <u>% of APC</u><br><u>Contributed</u> | <u>Net Pension</u><br><u>Obligation</u> |
|----------------|-------------------------------------|--|---------------------------------------|---|
| LAGERS         | 9/30/2016                           | \$5,226,250                                | 100%                                  | \$---                                   |
| Police Pension | 9/30/2016                           | \$3,812,192                                | 100%                                  | \$---                                   |
| Fire Pension   | 9/30/2016                           | \$7,801,471                                | 100%                                  | \$---                                   |

The City’s funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. Administration costs are financed by the revenues of the Police and Firefighters’ Retirement Funds.

There were no long-term contracts for contributions outstanding on September 30, 2016.

Although the assets of the Police and Fire Plans are commingled for investment purposes, each plan's assets may be used only for the payment of benefits to the members of that plan, in accordance with the terms of the plan.

#### **401(a) Retirement Plan**

The City sponsors and administers, through a contract with Boone County National Bank, a 401(a) plan which is a defined contribution plan established to provide benefits at retirement to permanent employees of the City. At September 30, 2016, there were 1,314 plan members. The City will contribute to the plan on behalf of each participant an amount equal to 2.0% of the participant's salary contingent upon the participant making a matching contribution to a Section 457 deferred compensation plan. For the year ended September 30, 2016, the City contributed \$797,274 to the plan. Plan provisions and contribution requirements are established and may be amended by the City Council.

#### **Post-Employment Health Plan (PEHP)**

Beginning with the fiscal year ended September 30, 2010, the City no longer makes contributions toward the employee post-employment health plan. However, employees who terminate employment after 10 or more years of service may be eligible to convert unused sick leave hours (at the rate of \$2.00 for every hour of final accumulated sick leave) for deposit into the employee's PEHP account. For the year ended September 30, 2016, \$71,836 was contributed to the plan.

#### **Other Post-Employment Benefits (OPEB)**

The City's post-employment health plan is a single-employer defined benefit plan that is self-funded. The plan provides medical and prescription drug benefits to eligible retirees and their dependents. Eligible non-Medicare retirees receive health care coverage through a self-insured Point-of-Service plan offered through United Healthcare. Eligible Medicare retirees receive health care coverage through a fully insured Medicare Supplement Plan F and a Part D Rx plan offered through United American. As of October 1, 2014, the date of the last actuarial valuation, plan membership consisted of 75 Retirees receiving benefits and 1,338 active members for a total of 1,413 total current members.

#### **Risk Management**

The City has established a risk management program for workers' compensation, liability and property losses. Premiums are charged to other funds by the Self Insurance Reserve Trust Fund and are available to pay claims, claim reserves and administrative costs of the program. An actuary is used to determine the level of reserves. Excess coverage insurance policies cover individual claims in excess of \$500,000 for general liability, \$100,000 for property losses, and workers' compensation claims in excess of \$500,000 for most employee classifications and \$750,000 for police, fire and electrical employees. The City carries insurance policies for airport and railroad liability and health clinic professional responsibility. Two claims have exceeded self-insurance or deductible levels during the past three fiscal years.

#### **Property Valuations**

##### *Assessment Procedure:*

All taxable real and personal property within the City is assessed annually by the Boone 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%

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, 0.5%, livestock, 12%; farm machinery, 12%; historic motor vehicles, 5%; poultry, 12%; and certain tools and equipment used for pollution control, used in retooling for the purpose of introducing new product lines or used for making improvements to existing products by certain types of companies specified by state law, 25%.

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 Boone County Assessor is responsible for preparing the tax roll each year and for submitting the tax roll to the Boone County Board of Equalization. The Boone 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 2016 final assessed valuation as of December 31, 2016, by category, of all taxable tangible property situated in the City as reported by the Boone County Clerk:

|                           | <u>Assessed<br/>Valuation</u> | <u>Assessment<br/>Rate</u> * | <u>Estimated<br/>Actual<br/>Valuation</u> |
|---------------------------|-------------------------------|------------------------------|---|
| Real Estate:              |                               |                              |   |
| Residential               | \$1,104,432,307               | 19.00%                       | \$5,812,801,616                           |
| Agricultural              | 5,600,173                     | 12.00                        | 46,668,108                                |
| Commercial <sup>(1)</sup> | <u>505,144,785</u>            | 32.00                        | <u>1,578,577,453</u>                      |
| Subtotal                  | \$1,615,177,265               |                              | \$7,438,047,177                           |
| Personal Property         | <u>322,717,239</u>            | 33.33                        | <u>968,248,542</u>                        |
| TOTAL                     | \$1,937,894,504               |                              | \$8,406,295,719                           |

\* 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.

(1) Includes State assessed railroad and utility property.

*History of Property Valuation:*

The following table shows total assessed valuation of all taxable tangible property situated in the City, including state assessed railroad and utility property, applicable during each of the following fiscal years of the City, including the assessed valuation of property in the City for the previous December 31 assessed valuation.

| <u>Fiscal Year</u> | <u>Assessed Valuation<br/>(December 31)</u> | <u>Percent<br/>Change</u> |
|--------------------|---|---------------------------|
| 2017               | \$1,937,894,504                             | 3.36%                     |
| 2016               | 1,874,871,904                               | 1.03                      |
| 2015               | 1,813,684,109                               | 3.53                      |
| 2014               | 1,751,870,633                               | 1.77                      |
| 2013               | 1,721,464,211                               | 2.27                      |
| 2012               | 1,683,324,254                               | --                        |

## **Property Tax Levies and Collections**

Property taxes are levied and collected by the City. The City is required by law to prepare an annual budget, which includes an estimate of the amount of revenues to be received from all sources for the budget year, including an estimate of the amount of money required to be raised from property taxes and the tax levy rates required to produce such amounts. The budget must also include proposed expenditures and must state the amount required for the payment of interest, amortization and redemption charges on the City's debt for the ensuing budget year. Such estimates are based on the assessed valuation figures provided by the Boone County Clerk. The City must fix its ad valorem property tax rates and certify them to the Boone County Clerk not later than September 1 for entry in the tax books.

The Boone County Clerk receives the county tax books from the Boone County Assessor, which set forth the assessments of real and personal property. The Boone County Clerk enters the tax rates certified to him by the local taxing bodies in the tax books and assesses such rates against all taxable property in the City as shown in such books. The Boone County Clerk forwards the tax books by October 31 to the Boone County Collector, who is charged with levying and collecting taxes as shown therein. The Boone County Collector extends the taxes on the tax rolls and issues the tax statements in early December. Taxes are due in full on December 31 and become delinquent on January 1. The delinquent penalty for 2016 was 9% in January, increased by 2% in each succeeding month up through September for a maximum of 25%.

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

## **Tax Rates**

*Debt Service Levy.* The City is required under Article VI, Section 26(f) of the Missouri Constitution to levy an annual tax on all taxable tangible property therein sufficient to pay the interest and principal of the indebtedness as they fall due and to retire the same within 20 years from the date of issue. The City Council may set the tax rate for debt service, without limitation as to rate or amount, at the level required to make such payments. Since the city has no general obligation bonds outstanding, the City has no debt service levy.

*Other Levies.* The total tax levy of the City for the fiscal year ended September 30, 2016 was \$[0.41] per \$100 of assessed valuation and for the current fiscal year ended September 30, 2017, is also \$[0.41] per \$100 of assessed valuation. The levy for the General Fund does not require annual voter approval but the City Council cannot raise the rate above that approved in the last election without the approval of a majority of the voters voting thereon. Under Article X, Section 11(c) of the Missouri Constitution, any increase in the City's General Fund levy above \$1.00 must be approved by two-thirds of the voters voting on the proposition.

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

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

**Property Tax Rates  
(Per \$100 Assessed Value)**

| <u>Fiscal<br/>Year</u> | <u>General<br/>Fund</u> |
|------------------------|-------------------------|
| 2016                   | 0.41                    |
| 2015                   | 0.41                    |
| 2014                   | 0.41                    |
| 2013                   | 0.41                    |
| 2012                   | 0.41                    |

*Source: City; Comprehensive Annual Financial Report, Fiscal Years Ended September 30, 2012 through 2016*

<sup>(1)</sup> Revenues collected from the Library Fund tax levy are withheld solely for the Daniel Boone Regional Library.

**Tax Collection Record**

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

**Property Tax Levies and Collections**

| <u>Fiscal<br/>Year</u> | <u>Taxes<br/>Levied<sup>(1)</sup></u> | <u>Current &amp; Delinquent<br/>Taxes Collected</u> |          |
|------------------------|---------------------------------------|---|----------|
|                        |                                       | <u>Amount<sup>(2)</sup></u>                         | <u>%</u> |
| 2016                   | \$7,674,533                           | \$7,639,739   | 99.55%   |
| 2015                   | 7,293,515                             | 7,295,499   | 100.03   |
| 2014                   | 7,086,610                             | 7,055,890   | 99.57    |
| 2013                   | 6,862,793                             | 6,850,525   | 99.82    |
| 2012                   | 6,780,699                             | 6,724,628   | 99.17    |

*Source: City; Comprehensive Annual Financial Report, Fiscal Years Ended September 30, 2012 through 2016*

<sup>(1)</sup> Balances are net of amounts deducted for collection fees withheld by County.

<sup>(2)</sup> Only reflects current and delinquent property tax revenues collected from City's General Fund Tax levy.

## Major Property Taxpayers

The following table sets forth the ten largest property taxpayers in the City based upon local assessed valuation for fiscal year ended September 30, 2016.

| Company Name                             | Type               | Valuation        | Percentage of Total Assessed Valuation |
|--|--------------------|------------------|--|
| Union Electric                           | Utility            | \$28,177,504     | 1.50%                                  |
| Shelter Insurance/Shelter Enterprises    | Insurance          | 16,177,067       | 0.86%                                  |
| 3M Company                               | Manufacturer       | 12,604,776       | 0.67%                                  |
| TKG Biscayne LLC                         | Property/Developer | 9,778,083        | 0.52%                                  |
| Hubbell Power Systems                    | Manufacturer       | 9,045,000        | 0.48%                                  |
| Grindstone Properties                    | Property/Developer | 8,078,039        | 0.43%                                  |
| Breckenridge Group                       | Property/Developer | 7,939,457        | 0.42%                                  |
| JDM II SF National (formally State Farm) | Insurance          | 7,807,371        | 0.42%                                  |
| The Links Columbia                       | Property Developer | 6,839,287        | 0.36%                                  |
| Boone Hospital                           | Medical            | <u>6,713,024</u> | <u>0.36%</u>                           |
| Total                                    |                    | \$113,159,608    | 6.02%                                  |

Source: *Comprehensive Annual Financial Report, Fiscal Year Ended September 30, 2016*

## HISTORY AND OPERATION OF THE SYSTEM

### User Charge Rates

The City Council is the sole authority for setting rates applicable to the System. The Bond Ordinance provides that the City will fix, maintain and establish such rates, fees and charges for the use and service furnished by the System which will insure that revenues are sufficient to pay all costs of operation and maintenance necessary to operate the System, to pay principal and interest on the outstanding System Revenue Bonds as they become due and to provide reasonable and adequate reserves for the payment of the System Revenue Bonds and the interest thereon and for the protection of the System as provided in the Bond Ordinance. The City agrees that so long as any of the System Revenue Bonds remain outstanding it will not issue any additional bonds or other obligations payable out of the Net Revenues of the System which are on a parity unless revenues are sufficient to pay an amount equal to the expense of operation and maintenance of the System incurred during the preceding and succeeding fiscal years as determined and attested to by the City's consulting engineer, plus 110% of the maximum amount of principal and interest which shall become due in any fiscal year for all System Revenue Bonds.

City management reviews the System rates and charges annually to determine if any changes will be necessary to assure that adequate revenues will be available for the System.

In 2014 the City engaged the firm of Burton & Associates, to perform a cost-of-service study for the Sanitary Sewer Fund and to design new rates (the "2014 Rate Study"). The results of the 2014 Rate Study revealed that for equitable recovery of costs attributable to customer demands on the System, a sewerage service and quantity charge rate increase was necessary. In addition, an increase in the sewer connection fees for development was necessary. The City's current rates, which became effective on October 1, 2016, rates are \$11.56/month plus \$2.38 per hundred cubic feet of water per month (based on winter quarter average water usage). The current rates represent an approximate 5% increase from the rates that were previously imposed by the City. A typical monthly residential sewer bill is \$23.46, which is lower than other sewer utilities in the region.

For those customers who reside outside the corporate limits, a factor of 1.5 times the existing rate schedule is applied as authorized by Missouri State Statute (Section 150.190 R.S. Mo., as amended). As a basis for estimating sewerage flow, the City relies on an average water usage during the calendar months of November, December, January, February and March dropping out the highest and lowest usage months. If the calculated average usage results in an average of less than one (1) CCF, the average will be recalculated using the water usage for the previous twelve (12) month billing periods, April through March. These averages are then used in calculating monthly sewer bills consistent with existing rates. All customers are billed on a monthly basis except the University of Missouri- Columbia which is billed quarterly.

Utility bills are considered delinquent if not paid on or before 20 days after billing and service may be discontinued if payment is not received 5 days after the delinquent date. Utility accounts are charged off annually to bad debt expense in accordance with the direct write-off method. In the past five years the actual amount written off was less than 0.56% per annum of billed revenues of the System.

The City anticipates adopting and implementing a rate increase of 2.0% during Fiscal Year 2018 and a rate increase of 4.0% during Fiscal Year 2019.

**Sewerage System Rates (effective October 1, 2016)**

Residential Base Charge: \$11.56

Non-residential Base Charge:

| <u>Water<br/>Meter Size</u> | <u>Meter Capacity<br/>(gpm)</u> | <u>Capacity<br/>Difference</u> | <u>Base Charge by<br/>Meter Capacity</u> |
|-----------------------------|---------------------------------|--------------------------------|--|
| 5/8-inch                    | 20                              | 1                              | \$11.56                                  |
| 3/4-inch                    | 30                              | 1.5                            | \$17.35                                  |
| 1-inch                      | 50                              | 2.5                            | \$28.91                                  |
| 1½-inch                     | 100                             | 5                              | \$57.80                                  |
| 2-inch                      | 160                             | 8                              | \$92.48                                  |
| 3-inch                      | 320                             | 16                             | \$184.97                                 |
| 4-inch                      | 500                             | 25                             | \$289.01                                 |
| 6-inch                      | 1,000                           | 50                             | \$578.03                                 |
| 8-inch                      | 1,600                           | 80                             | \$924.84                                 |
| 10-inch                     | 2,300                           | 115                            | \$1,329.46                               |
| 12-inch                     | 4,300                           | 215                            | \$2485.51                                |

Volume Charge, per 100 cu. Ft. (Ccf): \$2.38

**Service Area and Customer Composition**

The System provides service to substantially all the residents of the City and approximately



1,780 customers outside the City limits. The following table summarizes the customer mix of the System as of fiscal year ended September 30, 2016.

**Classes and Locations of Customers**

|  | <u>Customers<br/>Inside the City</u> | <u>Customers<br/>Outside the City</u> | <u>Total<br/>Customers</u> | <u>Percentage of<br/>Customers by Class</u> |
|--|--------------------------------------|---------------------------------------|----------------------------|---|
| <b>Residential</b>                         | 42,260                               | 1,745                                 | 44,005                     | 90.96%                                      |
| <b>Non-Residential</b>                     | 4,334                                | 35                                    | 4,369                      | 9.03  |
| <b>University of<br/>Missouri-Columbia</b> | <u>191<sup>(1)</sup></u>             | <u>0</u>                              | <u>191<sup>(1)</sup></u>   | <u>0.01</u>                                 |
| <b>TOTAL</b>                               | 46,595                               | 1,780                                 | 48,375                     | 100.00%                                     |

<sup>(1)</sup> Indicates number of University facilities connected to the System.

**Sewer Customer Information**

|  | <u>Monthly Water<br/>Usage*</u> | <u>Percentage of<br/>Usage by Class</u> | <u>Monthly<br/>Revenue</u> | <u>Percentage of<br/>Revenue by Class</u> |
|--|---------------------------------|---|----------------------------|---|
| <b>Residential</b>                           | 185,785                         | 44.31%                                  | \$ 861,480                 | 56.00%                                    |
| <b>Non-Residential</b>                       | 191,387                         | 45.64                                   | 569,498                    | 37.02                                     |
| <b>University of<br/>Missouri-Columbia**</b> | <u>42,144</u>                   | <u>10.05</u>                            | <u>107,329</u>             | <u>6.98</u>                               |
| <b>TOTAL</b>                                 | 419,316                         | 100.00%                                 | \$1,538,307                | 100.00%                                   |

\* In cubic feet.

\*\* System's largest customer.

**FINANCIAL INFORMATION CONCERNING THE SYSTEM**

**Accounting, Budgeting and Auditing Procedures**

An annual budget of estimated receipts and disbursements of the System for the coming fiscal year is prepared by the City Administrator and is presented to the City Council for approval. The fiscal year of the City is October 1 through September 30. The budget lists estimated receipts by fund and sources and estimated disbursements by funds and purposes and includes a statement of the rates required to raise each amount shown on the budget as coming from System revenues.

**Financial Statements**

Audited financial statements of the City as of and for the fiscal year ended September 30, 2016, are included in the City's Comprehensive Annual Financial Report in *Appendix B* to this Official Statement. These financial statements have been audited by RSM US LLP, 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* hereto.

*[Remainder of this page intentionally left blank]*

## Summary of Operations for Sanitary Sewer Fund

The following is a summary of the revenues, expenses and changes in fund net assets for the Sanitary Sewer Fund for the five-year period ended September 30, 2016, which information has been derived from the audited financial statements of the City for that period.

### STATEMENT OF REVENUES, EXPENSES AND CHANGES IN SEWER FUND NET ASSETS

|  | <u>2012</u>          | <u>2013</u><br><i>(as restated)</i> | <u>2014</u>          | <u>2015</u><br><i>(as restated)</i> | <u>2016</u>          |
|--|----------------------|-------------------------------------|----------------------|-------------------------------------|----------------------|
| <b>OPERATING REVENUES</b>                        |                      |                                     |                      |                                     |                      |
| Charges for services                             | \$17,173,614         | \$19,465,358                        | \$19,394,518         | \$20,597,586                        | \$22,627,392         |
| <b>OPERATING EXPENSES</b>                        |                      |                                     |                      |                                     |                      |
| Personal services                                | \$ 4,269,354         | \$ 4,297,452                        | \$ 4,435,161         | 4,661,774                           | 4,822,491            |
| Material, supplies and power                     | 718,133              | 712,241                             | 1,073,279            | 1,068,802                           | 1,003,936            |
| Travel and training                              | 15,694               | 9,824                               | 5,111                | 7,820                               | 6,589                |
| Intragovernmental                                | 1,456,517            | 1,429,382                           | 1,506,702            | 1,614,286                           | 1,702,198            |
| Utilities, services and miscellaneous            | 2,686,257            | 2,302,042                           | 2,049,173            | 1,868,960                           | 2,871,992            |
| Depreciation                                     | 3,233,811            | 3,394,659                           | 4,989,043            | 5,048,510                           | 5,129,778            |
| Total Operating Expenses                         | <u>\$12,379,766</u>  | <u>\$12,145,600</u>                 | <u>\$14,058,469</u>  | <u>\$14,270,152</u>                 | <u>\$15,536,984</u>  |
| Operating Income (Loss)                          | \$ 4,793,848         | \$ 7,319,758                        | \$ 5,336,049         | \$ 6,327,434                        | 7,090,408            |
| <b>NONOPERATING REVENUES (EXPENSES)</b>          |                      |                                     |                      |                                     |                      |
| Investment revenue                               | \$ 800,366           | \$ 207,098                          | \$ 925,701           | 1,300,201                           | 1,247,128            |
| Revenue from other governmental units            | -                    | -                                   | -                    | -                                   | -                    |
| Miscellaneous revenue                            | 435,804              | 26,148                              | 831,553              | 35,578                              | 319,263              |
| Interest expense                                 | (1,723,130)          | (1,697,631)                         | (2,317,366)          | (2,561,784)                         | (2,568,836)          |
| Loss on disposal of capital assets               | (232,392)            | (7,090)                             | (385,420)            | (13,938)                            | (24,946)             |
| Miscellaneous expense                            | (135,173)            | (245,328)                           | (336,496)            | (608,507)                           | (398,693)            |
| Total Nonoperating Revenues (Expenses)           | <u>\$(854,525)</u>   | <u>\$(1,716,803)</u>                | <u>\$(1,282,028)</u> | <u>\$(1,848,450)</u>                | <u>\$(1,426,084)</u> |
| Income (Loss) Before Contributions and Transfers | \$3,939,323          | \$5,602,955                         | \$4,054,021          | \$4,478,984                         | \$5,664,324          |
| Capital contributions                            | \$717,299            | \$3,124,466                         | \$1,415,970          | \$2,266,627                         | \$2,584,145          |
| Transfers in                                     | 100,000              | -                                   | -                    | -                                   | 117,923              |
| Transfers out                                    | (116,555)            | (116,693)                           | (580,268)            | (116,937)                           | (185,136)            |
| Total Net Transfers and Capital Contributions    | \$700,744            | \$3,007,773                         | \$ 835,702           | \$2,149,690                         | \$2,516,932          |
| Change in Net Assets                             | \$4,640,067          | \$8,610,728                         | \$4,889,723          | \$6,628,674                         | \$8,181,256          |
| TOTAL NET ASSETS – BEGINNING                     | <u>\$134,768,110</u> | <u>\$138,395,372<sup>(1)</sup></u>  | <u>\$147,006,100</u> | <u>\$153,489,050<sup>(2)</sup></u>  | <u>\$160,117,724</u> |
| TOTAL NET ASSETS - ENDING                        | \$139,408,177        | \$147,006,100                       | \$151,895,823        | \$160,117,724                       | \$168,298,980        |

<sup>(1)</sup> Beginning Total Net Assets for FY 2013 were restated by \$1,012,805 for bond issuance costs, related to GASB 65. These costs were being amortized over the life of the related bond issuances, and after the implementation of GASB 65, these costs, other than prepaid insurance for bonds, are generally to be expensed in the period incurred.

<sup>(2)</sup> Beginning Total Net Assets for FY 2015 were restated by \$1,593,227 to reflect implementation of GASB 68, *Accounting and Financial Reporting for Pensions – and amendment of GASB Statement No. 27*.

\* \* \*

**APPENDIX B**

**CITY OF COLUMBIA, MISSOURI**

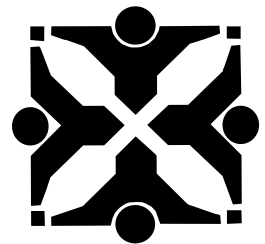
**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
WITH INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

CITY OF COLUMBIA, MISSOURI

**Comprehensive  
Annual Financial Report**

For the Fiscal Year  
October 1, 2015 - September 30, 2016

Department of Finance  
Michele Nix, CPA  
Director of Finance



CITY OF COLUMBIA, MISSOURI

**Comprehensive  
Annual Financial Report**

For the Fiscal Year  
October 1, 2015 - September 30, 2016

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Director of Finance

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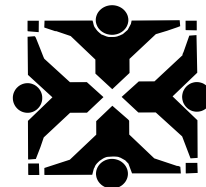
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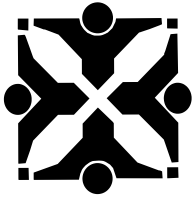
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CITY OF COLUMBIA, MISSOURI

# INTRODUCTORY SECTION





# CITY OF COLUMBIA, MISSOURI

FINANCE DEPARTMENT  
ADMINISTRATION

February 7, 2017

**Honorable Mayor, City Council, City Manager, and the Citizens of the City of Columbia:**

## **Introduction**

### ***Management Responsibility***

The Comprehensive Annual Financial Report (CAFR) of the City of Columbia, Missouri (the City) is submitted for your review in compliance with the provisions of Article II, Section 17 of the City Charter. This CAFR was prepared by the staff of the Finance Department in close cooperation with the external auditor, RSM US LLP. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material aspects, that it is presented in a manner designed to fairly set forth the financial activity of its various funds and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included. Management's Discussion and Analysis ("MD&A") immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

### ***The Financial Reporting Entity***

The Governmental Accounting Standards Board has established the criteria to determine the financial reporting entity for a municipal government's financial report. Therefore, the City used these criteria to examine the relationship of the City to other associated but legally separate entities, to determine if their inclusion in this report would be necessary to fairly present the financial position of the City. These criteria generally have to do with financial benefit or burden, and levels of influence over the activities of these organizations.

The financial reporting entity includes all funds of the City. This financial report does not include the Columbia Regional Library District, the Columbia Housing Authority or the City of Columbia New Century Fund, Inc. For a more detailed explanation of the relationship to these entities, refer to footnote number one in the Notes to the Basic Financial Statements on page 39.

## **Government Structure**

The City of Columbia is a constitutional home rule charter city and was organized in 1892 pursuant to the laws of the State of Missouri. The City is governed by a home rule charter and has a Council-Manager, non-partisan form of government which was adopted in 1949. The Mayor and six council members are elected for three year staggered terms with two council members elected each year. The City is divided into six wards, with one council member representing each ward and the Mayor being elected at large.

Columbia is a full service City which provides not only the traditional basic services such as public safety, public works and planning, but also a wide variety of enterprise activities. Columbia provides a majority of utility services including water, electricity, solid waste, and sanitary sewers. Additionally, Columbia operates three transportation enterprises: the regional airport, public transportation and railroad operations. It is this comprehensive service approach that allows Columbia to be responsive to the community while managing growth in a professional and fiscally responsible manner.

## **Economic Condition and Outlook**

The City of Columbia is located in Boone County in the central portion of the State of Missouri. The City's central location serves as a crossroad for travelers going east and west on Interstate 70 and north and south on U.S. 63. Columbia has excellent transportation resources being serviced by the Columbia Regional Airport, Columbia Terminal Railroad, Columbia Area Transit System and one interstate bus service. The City encompasses approximately 64 square miles and has a current estimated population of approximately 121,627.

The City is the location of the main campus of the University of Missouri, Columbia College, and Stephens College. Approximately 51,095 students attend these institutions of higher education during the regular school year. In addition to higher education, Columbia is also a regional medical center with eight hospitals. Insurance is a major business operation in the City with home offices of Shelter Insurance Companies, the Columbia Insurance Group, and a regional office of State Farm Insurance Company. Columbia is a regional shopping area for central Missouri with 16 shopping centers. Other area industries consist of printing, structural metal fabrication, structural materials production, electronic products, auto parts and food processing.

All of these activities have given Columbia a fairly stable employment base. Public education (including the University) and government comprise over 31% of all non-farm employment and are four of the top ten employers in the Columbia area. Service industries provide approximately 42% of non-farm employment with the medical industry comprising two of the top ten employers. The retailing industry is also strong providing approximately 16% of the employment in the area. The unemployment rate in Columbia, approximately 2.2% in 2016, has been well below the national average of approximately 4.5%.

## **Financial Planning & Fiscal Responsibility**

The City of Columbia utilizes an annual budget process that results in both annual and long-term financial planning. It is important to use a balanced budget approach to ensure that the City operates within its means. Every budget is approached with a conservative view of revenues and expenditures that capture all reasonably predicted events and needs for the upcoming year. The process begins with the City staff who are responsible for each fund and ends with the Council approving the budget before the new fiscal year begins. During the process, there are several opportunities for citizens to attend meetings and express views on the budget as it is being developed. Work sessions were held with the City Council during this fiscal year to keep Council informed and to allow the Council to provide additional information regarding service levels to our citizens.

The City of Columbia uses various methods of communicating the financial condition of the City. Financial reports such as the Capital Improvement Plan, Ten Year Trend Manual, Budget document, Comprehensive Annual Financial Report and Interim Financial reports are published on the City's website.

## **Major Initiatives**

During FY 2016, City staff worked to implement new city-wide enterprise resource planning software system across the City (COFERS). The new COFERS system will integrate internal and external management information across the entire city, enhancing effectiveness and efficiency.

During Fiscal Year 2016, the City began implementation of the Strategic Plan adopted by City Council on September 21, 2015 including the development of a structure to measure the City's progress towards achieving its Strategic Plan priorities within the identified areas of: public safety, infrastructure, operational excellence economy and social equity.

As part of the Strategic Plan, the City has worked towards a collaborative effort with community partners and others to achieve the vision of Columbia as the best place for everyone to live, work, learn and play by obtaining input from two public meetings in strategic neighborhoods with a third planned for the near future. Some of the initiatives that advance the strategic goals in FY 2016 were the distribution of single fare bus pass booklets, the creation of a public safety community outreach unit, offering a Building Inclusive Communities workshop for City employees and the successful accreditation of Public Health and Human Services which adds to the six other departments/division accredited prior to 2016.

## Other Information

### *Independent Audit*

The State of Missouri statutes require an annual audit of all funds of the City. The firm of RSM US LLP has included its opinion in this report.

### *Certificate of Achievement*

We believe this report meets and conforms to the very high standards of the Government Finance Officers Association (GFOA) of the United States and Canada for financial reporting of state and local governments. The City of Columbia, Missouri has received a Certificate of Achievement for Excellence in Financial Reporting for each of the last thirty six years, and we believe our current report continues to conform to the Certificate of Achievement Program requirements.

We will be submitting this report to GFOA to determine its eligibility for another certificate because a Certificate of Achievement is valid for a one-year period only. In order to be awarded a Certificate, the financial report must satisfy accounting principles and must be organized to strict program standards. Such reports must also satisfy applicable legal requirements.

Finally, I would like to say the preparation of the Comprehensive Annual Financial Report could not have been accomplished without the dedicated staff of the Finance Department, especially personnel in the Accounting Division who actually compiled the report. Appreciation is also extended to the Mayor, the City Council, and the City Manager, for their part in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



**Michele Nix, CPA  
Director of Finance**

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Government Finance Officers Association

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

Presented to

**City of Columbia  
Missouri**

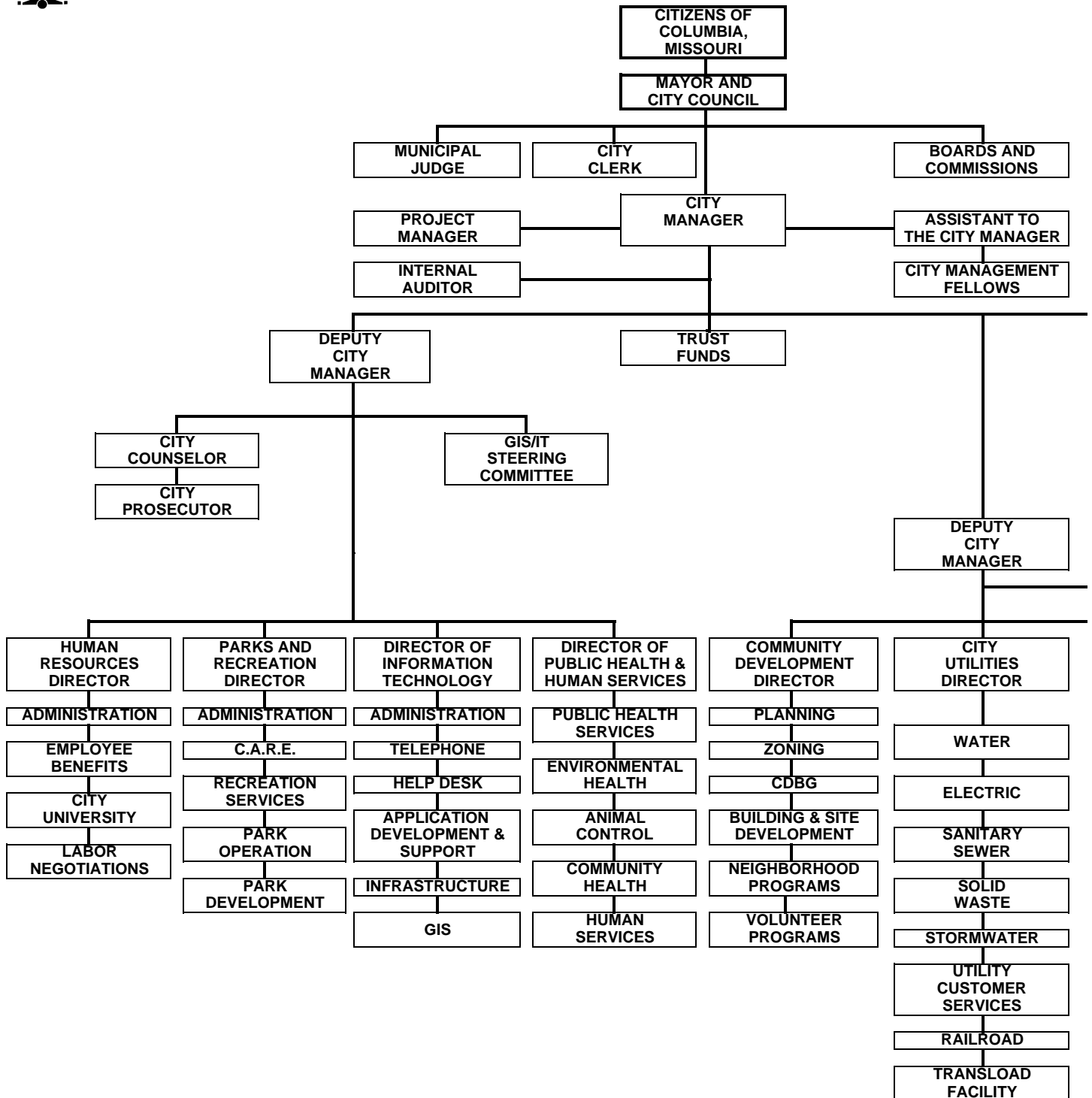
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2015**

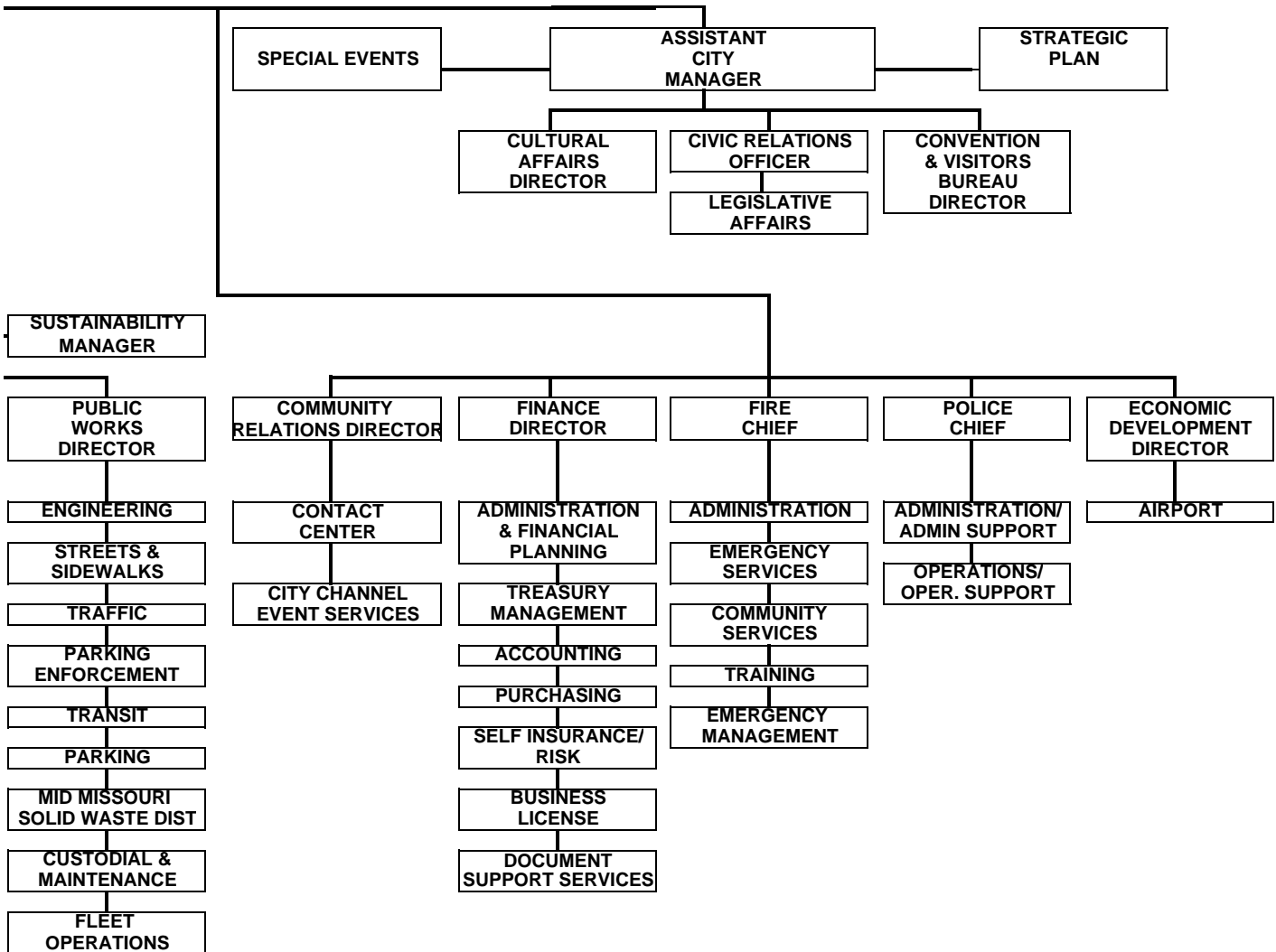
Executive Director/CEO



# FUNCTIONAL ORGANIZATIONAL CHART



# CITY OF COLUMBIA, MISSOURI





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# CITY OF COLUMBIA OFFICIALS

## **MAYOR**

Brian Treece

## **CITY COUNCIL**

|               |        |              |        |
|---------------|--------|--------------|--------|
| Clyde Ruffin  | Ward 1 | Ian Thomas   | Ward 4 |
| Michael Trapp | Ward 2 | Laura Nauser | Ward 5 |
| Karl Skala    | Ward 3 | Betsy Peters | Ward 6 |

## **CITY MANAGER**

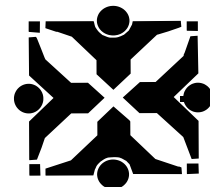
Mike Matthes

## **DIRECTOR OF FINANCE**

Michele Nix

## **INDEPENDENT AUDITORS**

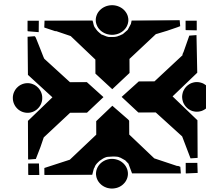
RSM US LLP



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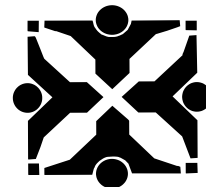
CITY OF COLUMBIA, MISSOURI

# FINANCIAL SECTION



CITY OF COLUMBIA, MISSOURI

# **INDEPENDENT AUDITORS' REPORT**





## Independent Auditor's Report

RSM US LLP

To the Honorable Mayor and  
Members of the City Council of the  
City of Columbia, Missouri  
Columbia, Missouri

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Columbia, Missouri (the City) as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

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

*Other Information*

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

The combining and individual nonmajor fund financial statements and other schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

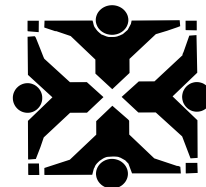
The accompanying introductory, statistical sections and other schedules, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

***RSM US LLP***

Kansas City, Missouri  
February 7, 2017

CITY OF COLUMBIA, MISSOURI

# MANAGEMENT'S DISCUSSION AND ANALYSIS





## **City of Columbia, Missouri Management's Discussion and Analysis**

As management of the City of Columbia (the "City"), we offer readers of the City's Comprehensive Annual Financial Report (CAFR), this narrative and analysis of the financial activities of the City for the fiscal year ended September 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information provided in this report in our letter of transmittal and basic financial statements.

### **Financial Highlights**

Columbia continues to be a growing city. The City provides a full range of governmental and proprietary services that include eleven enterprise activities.

- Total tax revenues of \$69,929,462 decreased .5% in fiscal year 2016. Sales tax revenue decreased in fiscal year 2016 by \$8,948.
- Charges for services in business-type activities increased \$11,470,466 or 5.7%.
- The City's total net position increased \$31,552,204 or 3.5%. Governmental activities net position increased \$9,161,746 or 2.2% while business-type activities net position increased \$22,390,458 or 4.7%. Total unrestricted net position increased \$5,042,073.

The City continued to make all required contributions to its pension plans.

### **The Comprehensive Annual Financial Report**

This comprehensive annual financial report consists of six parts:

- Introductory section, which includes the transmittal letter and general information,
- Management's discussion and analysis (this part),
- The basic financial statements, which include the government-wide and the fund financial statements, along with the notes to the basic financial statements,
- Required supplementary information,
- Combining statements for non-major governmental funds, non-major enterprise funds, internal service funds, and fiduciary funds, and
- Statistical section

The basic financial statements present two kinds of information. The government-wide financial statements provide both long-term and short-term information about the City's overall financial status. These statements are prepared on a full accrual basis to present information in a more corporate-like presentation. Fund financial statements are included to provide useful information on individual parts of the government. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. More relevant detail is provided by distinct presentation of major funds in the basic financial statements, rather than summaries by total fund types.

### **Government-Wide Financial Statements**

The basic financial statements include two government-wide financial statements: the *Statement of Net Position* and the *Statement of Activities*. The *Statement of Net Position* presents information on all of the City's assets and liabilities. The difference between the City's total assets and deferred outflows of resources, and total liabilities and deferred inflows of resources are reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year.

The *governmental activities financial statements* include the functions of the City that are principally supported by taxes and intergovernmental revenues. The *business-type activities financial statements* include functions that are intended to recover all, or a significant portion, of their costs through user fees and charges.

These statements can be found on pages 21 to 23. The government-wide financial statements report information about the City as a whole using accounting methods similar to those used by the private sector.

The *statement of net position* and *statement of activities* divide the City into the following:

- **Governmental activities** – All of the City’s basic services are considered to be governmental activities, including public safety, public works, health, parks, planning, cultural and economic development and general administration. These activities are supported primarily with general City revenue such as sales taxes, gross receipts taxes, Payment in Lieu of Taxes (PILOT), property taxes, fines and specific program revenue like permit fees and grants.
- **Business-type activities** – All the City’s enterprise activities are included here. These operations derive revenues from charges for services that are intended to recoup the full cost (or a significant portion of the cost) of operations. Three of these operations require subsidies from tax revenue (airport, transit and recreation services).

The government-wide financial statements are required to also include legally separate entities (if any) for which the City is financially accountable. The City does not have any such entity that is required to be included as a “component unit” in its financial statements.

### **Fund Financial Statements**

Another major section of the basic financial statements is the fund financial statements. These statements are on pages 24 to 33. The fund financial statements provide detailed information about each of the City’s most significant funds, called “major funds”. The city has four “major funds”, two governmental-type and two business type. The major governmental-type funds are the General Fund and Capital Projects Fund. The business-type major funds are the Water and Electric Utility and the Sanitary Sewer Utility. All “non-major” funds are summarized and presented in a single column.

The City has three kinds of funds:

- **Governmental funds** – Most of the City’s basic services are included in *governmental funds*. These fund statements are prepared on a modified accrual basis. *Governmental funds* are used to account for essentially the same functions as *governmental activities* in the government-wide financial statements. However, unlike the *government-wide* financial statements, *governmental fund* financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements. Capital assets and other long-lived assets, along with long-term liabilities, are not presented in the *governmental fund statements*. Because this information does not encompass the long-term focus of the government-wide financial statements, additional information is provided on pages 25 to 27 to explain the differences between them.
- **Proprietary funds** – These statements include both enterprise funds and internal service funds. Statements are prepared on the full accrual basis and include all their assets and liabilities, current and long-term. This is the same basis used in the government-wide financial statements.
- **Fiduciary funds** - These statements include activity of funds that report trust responsibilities of the City. These funds are summarized by type: pension, other employee benefit, private purpose trust and agency funds. These assets are restricted in purpose and do not represent discretionary assets of the City. Therefore, these assets are not presented as a part of the government-wide financial statements.

## Schedule of Net Position

The following table reflects the condensed schedule of net position as of September 30, 2016 and 2015:

| <b>City of Columbia's Net Position</b> |                                    |                       |                                     |                       |                       |                       |
|--|------------------------------------|-----------------------|-------------------------------------|-----------------------|-----------------------|-----------------------|
|  | <b>Governmental<br/>Activities</b> |                       | <b>Business-type<br/>Activities</b> |                       | <b>Total</b>          |                       |
|  | <b>2016</b>                        | <b>2015</b>           | <b>2016</b>                         | <b>2015</b>           | <b>2016</b>           | <b>2015</b>           |
| Current and other assets               | \$ 158,365,606                     | 163,755,657           | \$ 225,228,044                      | 231,751,155           | \$ 383,593,650        | 395,506,812           |
| Capital assets                         | 407,757,558                        | 396,269,338           | 633,873,778                         | 619,360,716           | 1,041,631,336         | 1,015,630,054         |
| Total assets                           | <u>566,123,164</u>                 | <u>560,024,995</u>    | <u>859,101,822</u>                  | <u>851,111,871</u>    | <u>1,425,224,986</u>  | <u>1,411,136,866</u>  |
| Deferred Outflows of Resources         | <u>37,471,696</u>                  | <u>12,465,488</u>     | <u>29,670,458</u>                   | <u>17,954,507</u>     | <u>67,142,154</u>     | <u>30,419,995</u>     |
| Long-term liabilities                  | 160,005,089                        | 138,664,616           | 358,199,548                         | 361,706,346           | 518,204,637           | 500,370,962           |
| Other liabilities                      | 10,223,620                         | 10,944,320            | 24,048,743                          | 25,472,438            | 34,272,363            | 36,416,758            |
| Total liabilities                      | <u>170,228,709</u>                 | <u>149,608,936</u>    | <u>382,248,291</u>                  | <u>387,178,784</u>    | <u>552,477,000</u>    | <u>536,787,720</u>    |
| Deferred Inflows of Resources          | <u>10,632,856</u>                  | <u>9,309,998</u>      | <u>3,490,522</u>                    | <u>1,244,585</u>      | <u>14,123,378</u>     | <u>10,554,583</u>     |
| Net position                           |                                    |                       |                                     |                       |                       |                       |
| Net investment in capital assets       | 379,291,016                        | 359,339,161           | 365,793,592                         | 352,395,872           | 745,084,608           | 711,735,033           |
| Restricted                             | 75,639,922                         | 84,328,836            | 21,988,771                          | 20,139,301            | 97,628,693            | 104,468,137           |
| Unrestricted                           | (32,197,643)                       | (30,096,448)          | 115,251,104                         | 108,107,836           | 83,053,461            | 78,011,388            |
| Total net position                     | <u>\$ 422,733,295</u>              | <u>\$ 413,571,549</u> | <u>\$ 503,033,467</u>               | <u>\$ 480,643,009</u> | <u>\$ 925,766,762</u> | <u>\$ 894,214,558</u> |

A review of the government-wide financial statement of net position reveals the following:

In fiscal year 2015, the City adopted GASB Statements No. 68 and No. 71 which established standards for measuring and recognizing liabilities, deferred outflows and inflows of resources and expenses related to pension plans. The City reported a net pension liability on the Statement of Net Position and related deferred outflows and inflows of resources related to its defined benefit plan with the Missouri Local Government Employees Retirement System (LAGERS) and two single employer defined benefit plans for police and firemen. The net pension liability for LAGERS as of September 30, 2016 was approximately \$14.2 million and the liability as of September 30, 2016 for the single employer plans for police plan and firemen's plan was approximately \$113.8 million.

Total assets for the City as a whole are \$1,425,224,986, an increase of \$14,088,120. This is due primarily to a decrease in the bond covenant account cash of \$12,218,320 and net additions to capital assets during the year of \$11,488,220 for governmental activities, and \$14,513,062 for business-type activities.

Overall the City experienced an increase in total liabilities of \$15,689,280, from \$536,787,720 to \$552,477,000 primarily due to an increase in net pension liability.

Total long-term liabilities increased \$17,833,675 from \$500,370,962 to \$518,204,637. Long-term liabilities in governmental activities increased \$21,340,473 primarily due to an increase in net pension liability and long-term liabilities in business-type activities decreased \$3,506,798 due to a reduction in bonds payable.

Governmental net investment in capital assets increased \$19,951,855, from \$359,339,161 to \$379,291,016 primarily due to capitalizing projects that have been completed.

Net investment in capital assets for business-type activities increased by \$13,397,720, from \$352,395,872 to \$365,793,592. Total restricted net position decreased \$6,839,444 and unrestricted net position increased \$5,042,073.

## Schedule of Activities

The following table reflects the revenues and expenses for the City's activities for the years ended September 30, 2016 and 2015:

City of Columbia's Schedule of Activities

|   | Governmental<br>Activities |                       | Business-type<br>Activities |                       | Total                 |                       |
|---|----------------------------|-----------------------|-----------------------------|-----------------------|-----------------------|-----------------------|
|   | 2016                       | 2015                  | 2016                        | 2015                  | 2016                  | 2015                  |
| <b>Revenues:</b>                          |                            |                       |                             |                       |                       |                       |
| <b>Program revenues:</b>                  |                            |                       |                             |                       |                       |                       |
| Charges for services                      | \$ 19,984,691              | 19,438,540            | \$ 211,903,848              | 200,433,382           | \$ 231,888,539        | 219,871,922           |
| Grants and contributions                  | 5,585,621                  | 7,049,014             | 2,557,913                   | 2,479,657             | 8,143,534             | 9,528,671             |
| Capital grants and contributions          | 8,419,494                  | 5,301,736             | 9,029,170                   | 8,119,011             | 17,448,664            | 13,420,747            |
| <b>General revenues:</b>                  |                            |                       |                             |                       |                       |                       |
| Property taxes                            | 7,898,843                  | 7,572,050             | -                           | -                     | 7,898,843             | 7,572,050             |
| Sales tax                                 | 47,165,825                 | 47,174,773            | -                           | -                     | 47,165,825            | 47,174,773            |
| Other taxes                               | 14,864,794                 | 15,559,138            | -                           | -                     | 14,864,794            | 15,559,138            |
| Investment revenue                        | 2,744,200                  | 3,462,509             | 4,433,709                   | 5,209,590             | 7,177,909             | 8,672,099             |
| Other                                     | 2,270,770                  | 1,737,308             | 2,598,540                   | 2,157,488             | 4,869,310             | 3,894,796             |
| <b>Total revenues</b>                     | <b>108,934,238</b>         | <b>107,295,068</b>    | <b>230,523,180</b>          | <b>218,399,128</b>    | <b>339,457,418</b>    | <b>325,694,196</b>    |
| <b>Expenses:</b>                          |                            |                       |                             |                       |                       |                       |
| Policy development and admin.             | 30,623,152                 | 24,465,111            | -                           | -                     | 30,623,152            | 24,465,111            |
| Public safety                             | 42,145,164                 | 42,482,569            | -                           | -                     | 42,145,164            | 42,482,569            |
| Transportation                            | 14,525,441                 | 15,600,627            | -                           | -                     | 14,525,441            | 15,600,627            |
| Health and environment                    | 10,931,589                 | 10,769,579            | -                           | -                     | 10,931,589            | 10,769,579            |
| Personal development                      | 8,971,813                  | 8,968,495             | -                           | -                     | 8,971,813             | 8,968,495             |
| Interest on long-term debt                | 978,720                    | 1,710,708             | -                           | -                     | 978,720               | 1,710,708             |
| Electric Utility                          | -                          | -                     | 116,326,371                 | 115,496,885           | 116,326,371           | 115,496,885           |
| Water Utility                             | -                          | -                     | 19,797,334                  | 18,045,445            | 19,797,334            | 18,045,445            |
| Sanitary Sewer Utility                    | -                          | -                     | 18,488,108                  | 17,651,612            | 18,488,108            | 17,651,612            |
| Regional Airport                          | -                          | -                     | 3,776,315                   | 3,469,327             | 3,776,315             | 3,469,327             |
| Public Transportation                     | -                          | -                     | 8,202,880                   | 7,830,577             | 8,202,880             | 7,830,577             |
| Solid Waste Utility                       | -                          | -                     | 19,864,870                  | 15,844,537            | 19,864,870            | 15,844,537            |
| Parking Facilities                        | -                          | -                     | 3,220,290                   | 3,244,277             | 3,220,290             | 3,244,277             |
| Recreation Services                       | -                          | -                     | 7,255,936                   | 6,859,026             | 7,255,936             | 6,859,026             |
| Railroad                                  | -                          | -                     | 1,027,458                   | 983,603               | 1,027,458             | 983,603               |
| Transload                                 | -                          | -                     | 339,835                     | 582,750               | 339,835               | 582,750               |
| Storm Water Utility                       | -                          | -                     | 1,429,937                   | 1,544,375             | 1,429,937             | 1,544,375             |
| <b>Total expenses</b>                     | <b>108,175,879</b>         | <b>103,997,089</b>    | <b>199,729,335</b>          | <b>191,552,414</b>    | <b>307,905,214</b>    | <b>295,549,503</b>    |
| Increase in net position before transfers | 758,359                    | 3,297,979             | 30,793,845                  | 26,846,714            | 31,552,204            | 30,144,693            |
| Transfers                                 | 8,403,387                  | 7,743,778             | (8,403,387)                 | (7,743,778)           | -                     | -                     |
| <b>Increase in net position</b>           | <b>9,161,746</b>           | <b>11,041,757</b>     | <b>22,390,458</b>           | <b>19,102,936</b>     | <b>31,552,204</b>     | <b>30,144,693</b>     |
| Net position, beginning                   | 413,571,549                | 402,529,792           | 480,643,009                 | 461,540,073           | 894,214,558           | 864,069,865           |
| <b>Net position, ending</b>               | <b>\$ 422,733,295</b>      | <b>\$ 413,571,549</b> | <b>\$ 503,033,467</b>       | <b>\$ 480,643,009</b> | <b>\$ 925,766,762</b> | <b>\$ 894,214,558</b> |

The government-wide statement of activities indicates the major sources of program revenues are charges for services, which increased by \$12,016,617 or 5.5% mostly due to an increase in business activities of \$11,470,466. This is largely due to increased revenues in the electric utility due to a 3.5% customer increase along with mild weather conditions.

Total revenues increased \$13,763,222, or 4.2%, for 2016. The largest increase, \$12,016,617, was in charges for services. Operating grants and contributions for fiscal year 2016 decreased \$1,385,137, or 14.5%, due mostly to the decrease in County revenues in Public Safety Joint Communications expense decreases as they transition to the county, thus decreasing revenues as well. Governmental activities miscellaneous revenues experienced an increase of 30.7% due to a one time billing of approximately \$483,000 to Columbia Public Schools for their contribution to a capital project.

Sales tax is the most significant revenue of the governmental activities. The city receives voter approved sales tax revenue of 1% for general revenue, .5% for transportation, .25% for capital improvements and .25% for parks. Amounting to \$47,165,825 in 2016, sales tax revenue represents 63% of the total \$74,944,432 general revenue for governmental activities. This is a decrease of \$8,948 in sales tax revenue over 2015 revenue. Staff continues to closely monitor the monthly sales tax files provided by the state.

On August 2, 2016 voters approved a temporary increase in the gross receipts license tax on hotels and motels from 4% to 5% effective January 1, 2017. The additional tax collected is to be used for planning and constructing airport terminal improvements. The rate will be reduced from 5% to 4% on or before January 1, 2040.

Investment revenue for both governmental activities and business-type activities decreased by a total of \$1,494,190, due to unfavorable market conditions for the year ending September 30, 2016.

Seven of the eleven business-type activities show program revenue in excess of expenses. The City budgets for subsidies or transfers to the Public Transportation, Recreation Services and Airport Funds. The City maintains appropriate reserves in all of the business-type funds.

Total program expenses for FY 2016 are \$307,905,214, an increase of \$12,355,711. The majority of these expenses, \$199,729,335, are for business-type activities. Business-type activity expenses increased \$8,176,921, or 4.3%. The most significant increase was in the Solid Waste utility where operating expenses increased \$4,101,756 due primarily to an increase in the recognition of Closure and Post Closure Cost which resulted in an expense of \$2,690,137. Governmental activities increased \$4,178,790, or 4% with the largest increase being in Policy Development and Administration due to increased pension expense for Police and Fire.

Net transfers from business-type activities to governmental activities were \$8,403,387. However, the City transferred over \$6.7 million in general funds, transportation sales tax and parks sales tax funds to support the operations of various business-type activities. For purposes of the government-wide financial statements, over \$15 million in payment in lieu of tax funds that are paid by the Water and Electric Utilities to the general fund are included as transfers. Detail of individual transfers can be found in the notes to the financial statements.

### **Fund Statements**

The City's *fund statements* can be found on pages 24 to 33 of the basic financial statements. A reconciliation to the government-wide financial statements has been provided with these fund statements.

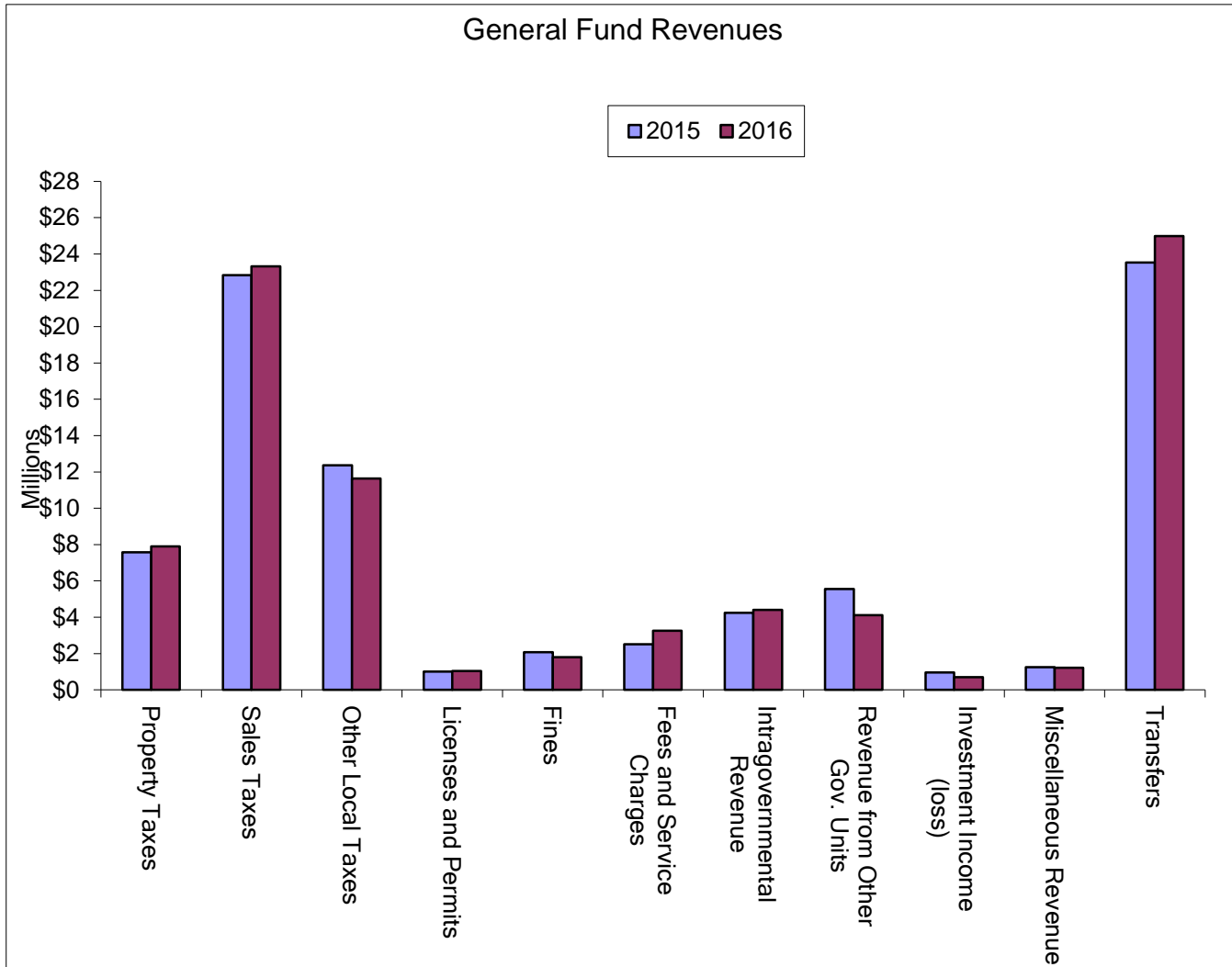
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The City's *proprietary funds* provide the same type of information found in the government-wide financial statements, but show more detail.

The *proprietary funds* ended FY 2016 with an increase in net position due in part to the completion of several capital projects which caused capital assets to increase from \$619,360,716 in FY15 to \$633,873,778 in FY16, and the change in the GASB 68 pension liability which caused the deferred outflow of resources to increase from \$17,954,507 in FY15 to \$29,670,458 in FY16.

The *governmental funds* ended FY 2016 with a decrease in fund balance due in part to a capital projects fund balance decrease due to capital projects being finished and closed.

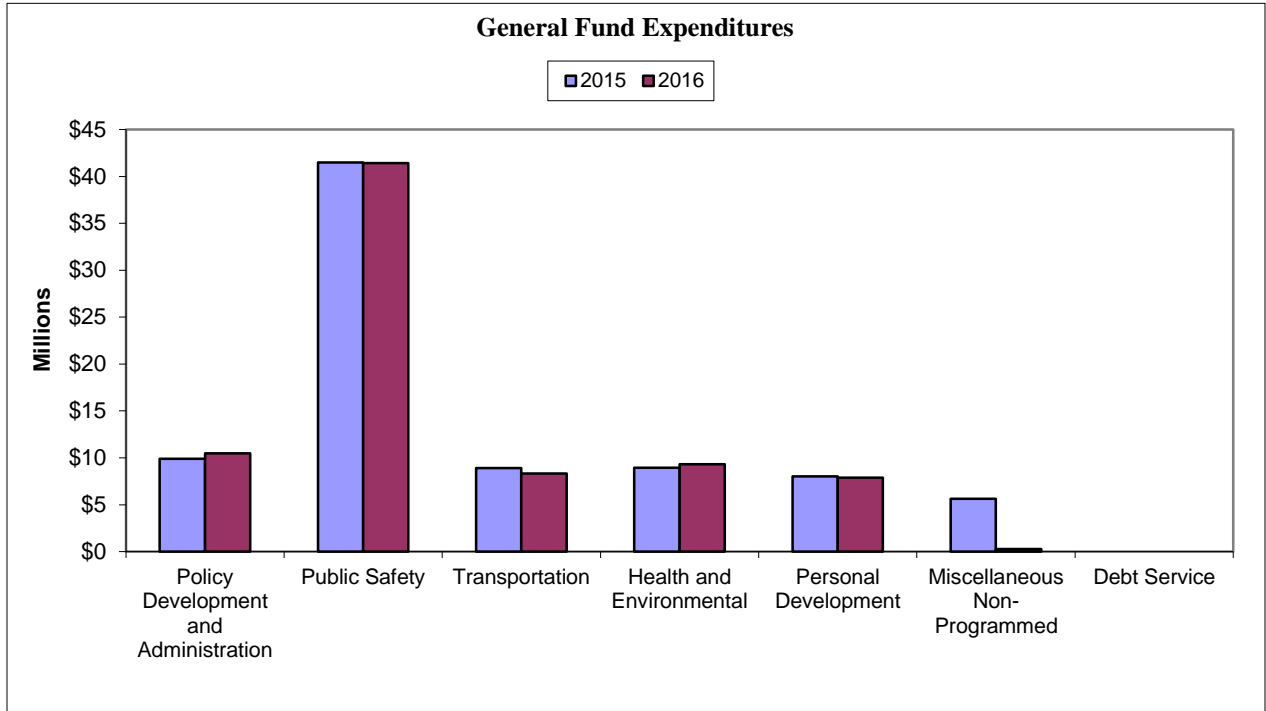
## General Fund

The unassigned general fund balance is \$29,245,964. This is 36.6% of expenditures and transfers of \$79,972,309, well above the 20% target set by Council policy in August 2012. Care is taken to identify capital or other one-time uses of fund balance when the amount of appropriated fund balance increases substantially.



Overall revenues and transfers into the general fund were below the budgeted amount by \$1,392,974. Revenue from other governmental units was below budget by \$815,127, while sales tax receipts were \$460,171 below budget and fees and service charge revenue was \$761,893 above budget. As shown on page 101, for budgeting purposes, Payment in Lieu of Tax from the Water & Electric fund is treated as revenue, while generally accepted accounting principles require that it be recognized as a transfer from other funds. General fund revenues excluding appropriated fund balance and transfers decreased \$977,948 or (-1.6%). The overall property tax rate remained constant at 41 cents for every \$100 of assessed value.

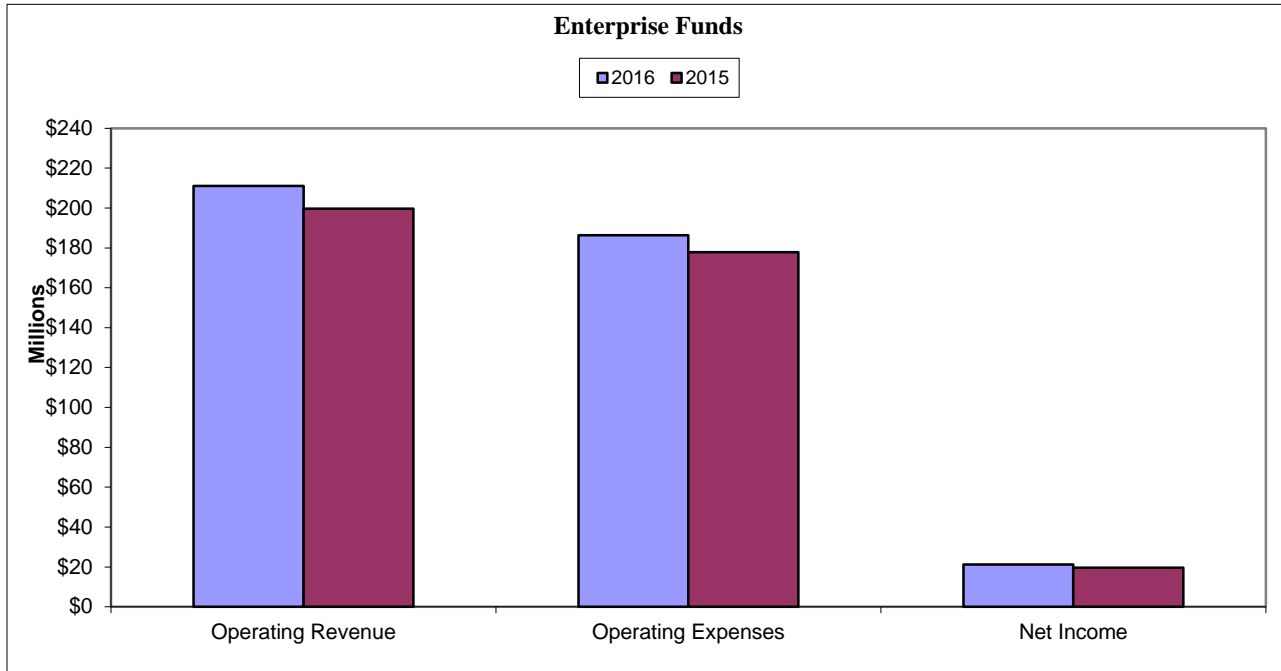
General fund expenditures and transfers out were \$11.2 million under budget. Of the \$11.2 million, there were \$2.7 million in encumbrances and projects of \$2.0 million not encumbered which will be spent in FY17, leaving 6.5 million under budget. General fund expenditures, including transfers, decreased \$7,270,698 or (8.3%). Also, there was a decrease in Miscellaneous Non-programmed expenses of \$5.3 million due to an appropriation in Sept 2015 for a one time Police and Fire retirement Employer contribution.



The total fund balance of non-major governmental funds decreased by \$2,198,146 due in part to a decrease in the debt service funds caused by paying off the 2006B SO bond as well as an advanced refunding of the 2008B SO bond.

## Enterprise Funds

A review of the net position of the proprietary funds indicates that all funds have positive unrestricted net position except the Transload fund. Operating revenues increased for the City's enterprise funds in FY 2016 by 5.73% and operating expenses decreased by 4.77%, respectively. The change in net position of \$21,298,649 was an increase of \$1,736,690. The City's enterprise funds continue to experience limited growth in customer base. Two of the City's internal service funds experienced a loss for FY 2016. The losses were budgeted as the accumulated balances were above those required to operate on a break even basis.



In FY16, there were no rate increases for water, electric, sewer or trash. The only residential rate increase for FY 2016 was a 25% storm water increase which was approved by the voters in April of 2015. Columbia continues to have very competitive utility rates for our region.

## Budget Variances

It is the City's policy to allow departments to carry forward the budget allocation for project funds or for items that are encumbered at fiscal year end. The FY 2016 final budget for the general fund includes approximately \$2.3 million of encumbered funds carried forward from FY 2015. An increase of approximately \$2.9 million in the FY 2016 budget was in part for grants, surplus funds and contributions appropriated during the year, which also in part increased the general fund revenue budget in FY 2016.

Overall, the general fund ended FY 2016 with favorable budget variances for revenues, expenditures and transfers of \$9.8 million. Sales tax revenue ended the year with a 1.93% unfavorable variance. Other local tax revenues fell short of budget projections by \$1,051,034 and revenue from other governmental units (grants) fell short of budget projections by \$815,127.

General fund expenditures and transfers out were \$11.2 million under budget for FY 2016.



## Capital Assets

### City of Columbia Capital Assets (net of accumulated depreciation)

|                                   | Governmental<br>Activities |             | Business-type<br>Activities |             | Total            |               |
|-----------------------------------|----------------------------|-------------|-----------------------------|-------------|------------------|---------------|
|                                   | 2016                       | 2015        | 2016                        | 2015        | 2016             | 2015          |
| Land                              | \$ 47,912,053              | 46,747,583  | \$ 22,047,358               | 21,487,681  | \$ 69,959,411    | 68,235,264    |
| Buildings                         | 53,160,149                 | 54,546,280  | -                           | -           | 53,160,149       | 54,546,280    |
| Improvements other than buildings | 33,032,861                 | 29,170,405  | -                           | -           | 33,032,861       | 29,170,405    |
| Structures and improvements       | -                          | -           | 334,014,177                 | 320,954,510 | 334,014,177      | 320,954,510   |
| Furniture, fixtures and equipment | 15,417,123                 | 16,651,829  | 262,225,860                 | 248,785,794 | 277,642,983      | 265,437,623   |
| Infrastructure                    | 232,434,018                | 234,234,850 | -                           | -           | 232,434,018      | 234,234,850   |
| Construction in progress          | 25,801,354                 | 14,918,391  | 15,586,383                  | 28,132,731  | 41,387,737       | 43,051,122    |
| Total                             | \$ 407,757,558             | 396,269,338 | \$ 633,873,778              | 619,360,716 | \$ 1,041,631,336 | 1,015,630,054 |

### Major Capital Asset Events Fiscal Year 2016

- The enterprise resource planning software project continued with the new payroll system going into production on January 1, 2016. The new utility billing software came on-line in August 2016 with more modules to follow shortly.
- Major exterior improvements were made to the Walton Building (home of Convention and Tourism).
- A replacement pumper truck was purchased for the Fire Department at a cost of about \$750,000
- Land was purchased for a future Municipal Service Center in North Columbia
- Hominy Branch Outfall Relief sewer project was completed at a cost of \$3.8 million
- Reconstruction was completed on the Airport's Crosswind Runway project at a cost of \$5.3 million. This project was 90% funded by an FAA grant.

Additional information on the City's capital assets can be found in Note VI on pages 59-61 of the footnotes of this report.

### Debt Administration

The City's debt issues are discussed in Note IX on pages 66-79 of this report. Please refer to it for additional information.

In December of 2015 the City issued \$7,080,000 in Special Obligations Bonds, these funds were used to refund the 2006 Special Obligation Bonds. Both the refunding and the defeased issue have a 2026 maturity date. Total debt service requirements were reduced by \$2,667,087 with the refunding.

In July 2016 the City issued \$17,580,000 Special Obligation Refunding Bonds to advance refund the 2008B Special Obligation Improvement Bonds. Both the refunding issue and the defeased issue have a 2028 maturity date. Total debt service requirements were reduced by \$4,640,040 with this refunding.

**City of Columbia Net Outstanding Debt**

|  | <u>FY 2016</u>        | <u>FY 2015</u>        |
|--|-----------------------|-----------------------|
| <b><u>Governmental Activities</u></b>      |                       |                       |
| Special Obligation Bonds/Notes             | \$ 29,879,526         | \$ 36,896,045         |
|  | <u>\$ 29,879,526</u>  | <u>\$ 36,896,045</u>  |
| <br><b><u>Business-type Activities</u></b> |                       |                       |
| Revenue Bonds                              | \$ 251,018,822        | \$ 261,979,540        |
| Special Obligation Bonds                   | 91,569,509            | 96,831,150            |
|  | <u>\$ 342,588,331</u> | <u>\$ 358,810,690</u> |

**Fiscal Year 2017 Budget**

There are no proposed City tax increases for FY 2017 and no rate increases for gross receipts. In our business-type activities, rate increases include Water (2% operating rate increase), Electric (2% operating rate increase), Solid Waste (rate increase for commercial services and landfill fee increases), Sewer (4% voter approved and 1% operating rate increase to base and volume charges), and Storm Water (25% utility rate increase passed by the voters in April 2015).

The City is projecting a 1.0% increase in sales taxes for FY 2017.

An across the board (ATB) pay increase for permanent positions of \$0.25/hour or \$0.1786/hour for Firefighters for those not at or above the maximum of their job class is included in FY 2017. The pay increase will not cover all of the health insurance increases.

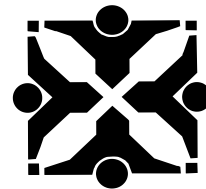
Overall there is a 29.00 net FTE increase in positions for FY 2017 with a net of 6.70 FTE positions added in the general Fund and a net of 22.30 FTE positions added in other funds.

**Financial Contact**

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. Any questions regarding the report or request for additional information should be directed to the Director of Finance, 701 East Broadway, Columbia, Missouri 65201. Financial reports may also be found on the City's web site at [www.como.gov](http://www.como.gov).

CITY OF COLUMBIA, MISSOURI

# BASIC FINANCIAL STATEMENTS



**CITY OF COLUMBIA, MISSOURI  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2016**

|   | <u>Governmental<br/>Activities</u> | <u>Business-type<br/>Activities</u> | <u>Total</u>          |
|---|------------------------------------|-------------------------------------|-----------------------|
| <b>ASSETS</b>   |                                    |                                     |                       |
| Cash and investments  | \$ 106,987,789                     | \$ 90,996,677                       | \$ 197,984,466        |
| Receivables (net of allowance<br>for uncollectibles)            | 28,326,745                         | 31,868,654                          | 60,195,399            |
| Due from fiduciary fund   | 1,735,990                          | -                                   | 1,735,990             |
| Internal balances   | 5,434,456                          | (5,434,456)                         | -                     |
| Inventories   | 1,253,259                          | 6,844,761                           | 8,098,020             |
| Prepaid items   | 69,693                             | 92,185                              | 161,878               |
| Other postemployment benefit (OPEB) asset                       | 855,612                            | -                                   | 855,612               |
| Other assets  | 53,632                             | -                                   | 53,632                |
| Restricted assets:  |                                    |                                     |                       |
| Cash and investments  | 11,663,141                         | -                                   | 11,663,141            |
| Bond covenant account cash and investments                      | -                                  | 90,982,611                          | 90,982,611            |
| Closure and postclosure reserve                                 | -                                  | 2,690,137                           | 2,690,137             |
| Customer security and escrow deposits                           | -                                  | 5,859,489                           | 5,859,489             |
| Grants receivable   | 1,985,289                          | 1,327,986                           | 3,313,275             |
| Capital assets:   |                                    |                                     |                       |
| Non depreciable   | 73,713,407                         | 37,633,741                          | 111,347,148           |
| Depreciable, net  | 334,044,151                        | 596,240,037                         | 930,284,188           |
| <b>Total Assets</b>   | <u>566,123,164</u>                 | <u>859,101,822</u>                  | <u>1,425,224,986</u>  |
| <b>DEFERRED OUTFLOWS</b>  |                                    |                                     |                       |
| Deferred outflow related to pension                             | 36,048,580                         | 20,009,786                          | 56,058,366            |
| Deferred charge on refundings of debt                           | 1,423,116                          | 9,660,672                           | 11,083,788            |
| <b>Total deferred outflows</b>                                  | <u>37,471,696</u>                  | <u>29,670,458</u>                   | <u>67,142,154</u>     |
| <b>LIABILITIES</b>  |                                    |                                     |                       |
| Accounts payable  | 5,485,141                          | 5,618,953                           | 11,104,094            |
| Accrued payroll and payroll taxes                               | 2,092,073                          | 1,362,821                           | 3,454,894             |
| Accrued interest payable  | 91,455                             | 4,693,544                           | 4,784,999             |
| Due to other governments  | -                                  | 490,408                             | 490,408               |
| Unearned revenue  | 198,107                            | 533,040                             | 731,147               |
| Construction contracts payable                                  | -                                  | 4,853,231                           | 4,853,231             |
| Customer security and escrow deposits                           | -                                  | 5,878,930                           | 5,878,930             |
| Other liabilities   | 2,356,844                          | 617,816                             | 2,974,660             |
| Long-term liabilities:  |                                    |                                     |                       |
| Due within one year:  |                                    |                                     |                       |
| Accrued compensated absences                                    | 2,774,595                          | 1,518,663                           | 4,293,258             |
| Revenue bonds payable   | -                                  | 10,737,000                          | 10,737,000            |
| Special obligation bonds and notes payable                      | 3,294,772                          | 2,750,000                           | 6,044,772             |
| Capital lease obligation  | 10,132                             | 72,643                              | 82,775                |
| Claims payable - health insurance                               | 1,075,710                          | -                                   | 1,075,710             |
| Claims payable - workers' compensation<br>and general liability | 2,279,489                          | -                                   | 2,279,489             |
| Due in more than one year:                                      |                                    |                                     |                       |
| Accrued compensated absences                                    | 1,499,041                          | 818,754                             | 2,317,795             |
| Revenue bonds payable   | -                                  | 240,281,822                         | 240,281,822           |
| Special obligation bonds and notes payable                      | 26,584,754                         | 88,819,509                          | 115,404,263           |
| Capital lease obligation  | -                                  | 653,034                             | 653,034               |
| Claims payable - workers' compensation<br>and general liability | 4,222,387                          | -                                   | 4,222,387             |
| Net pension liability   | 118,264,209                        | 9,857,986                           | 128,122,195           |
| Other long-term liabilities                                     | -                                  | 2,690,137                           | 2,690,137             |
| <b>Total Liabilities</b>  | <u>170,228,709</u>                 | <u>382,248,291</u>                  | <u>552,477,000</u>    |
| <b>DEFERRED INFLOWS</b>   |                                    |                                     |                       |
| InfloWS related to pension                                      | 2,895,627                          | 3,353,938                           | 6,249,565             |
| Deferred gain on refunding of debt                              | -                                  | 136,584                             | 136,584               |
| Property taxes  | 7,737,229                          | -                                   | 7,737,229             |
| <b>Total deferred inflows</b>                                   | <u>10,632,856</u>                  | <u>3,490,522</u>                    | <u>14,123,378</u>     |
| <b>NET POSITION</b>   |                                    |                                     |                       |
| Net investment in capital assets                                | 379,291,016                        | 365,793,592                         | 745,084,608           |
| Restricted for:   |                                    |                                     |                       |
| Debt service  | 1,360,739                          | 18,153,670                          | 19,514,409            |
| Capital projects  | 33,388,328                         | 1,327,986                           | 34,716,314            |
| Permanent Fund:   |                                    |                                     |                       |
| Nonexpendable   | 1,500,000                          | -                                   | 1,500,000             |
| Expendable  | 7,438,759                          | -                                   | 7,438,759             |
| Statutory restrictions  | 31,952,096                         | 2,507,115                           | 34,459,211            |
| Unrestricted  | (32,197,643)                       | 115,251,104                         | 83,053,461            |
| <b>Total Net Position</b>                                       | <u>\$ 422,733,295</u>              | <u>\$ 503,033,467</u>               | <u>\$ 925,766,762</u> |

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

**CITY OF COLUMBIA, MISSOURI  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

| <u>Functions/Programs</u>             | <u>Program Revenues</u> |                                 |   |
|---------------------------------------|-------------------------|---------------------------------|---|
|                                       | <u>Expenses</u>         | <u>Charges for<br/>Services</u> | <u>Operating<br/>Grants and<br/>Contributions</u> |
| <b>Governmental activities:</b>       |                         |                                 |   |
| Policy development and administration | \$ 30,623,152           | \$ 13,138,620                   | \$ 215,233  |
| Public safety                         | 42,145,164              | 2,041,378                       | 996,335   |
| Transportation                        | 14,525,441              | 56,135                          | 1,386,683   |
| Health and environment                | 10,931,589              | 4,748,558                       | 2,945,584   |
| Personal development                  | 8,971,813               | -                               | 41,786  |
| Interest on long-term debt            | 978,720                 | -                               | -   |
| <b>Total governmental activities</b>  | <u>108,175,879</u>      | <u>19,984,691</u>               | <u>5,585,621</u>                                  |
| <b>Business-type activities:</b>      |                         |                                 |   |
| Electric Utility                      | 116,326,371             | 129,693,077                     | -   |
| Water Utility                         | 19,797,334              | 26,050,798                      | -   |
| Sanitary Sewer Utility                | 18,488,108              | 22,771,018                      | -   |
| Regional Airport                      | 3,776,315               | 712,502                         | 183,558   |
| Public Transportation                 | 8,202,880               | 2,031,376                       | 2,305,196   |
| Solid Waste Utility                   | 19,864,870              | 20,031,354                      | 62,689  |
| Parking Facilities                    | 3,220,290               | 4,154,260                       | -   |
| Recreation Services                   | 7,255,936               | 4,243,961                       | 6,470   |
| Railroad                              | 1,027,458               | 331,815                         | -   |
| Transload                             | 339,835                 | 256,693                         | -   |
| Storm Water Utility                   | 1,429,937               | 1,626,994                       | -   |
| <b>Total business-type activities</b> | <u>199,729,335</u>      | <u>211,903,848</u>              | <u>2,557,913</u>                                  |
| <b>Total City</b>                     | <u>\$ 307,905,214</u>   | <u>\$ 231,888,539</u>           | <u>\$ 8,143,534</u>                               |

General revenues:  
Property taxes  
Sales tax  
Gasoline tax  
Cigarette tax  
Motor vehicle tax  
Utilities tax  
Gross receipts tax  
Investment revenue  
Miscellaneous  
Transfers  
Total general revenues and transfers  
Change in net position  
Net position - beginning  
Net position - ending

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

| Program Revenues | Net (Expense) Revenue and Changes in Net Position |                         |                          |
|------------------|---|-------------------------|--------------------------|
|                  | Capital Grants and Contributions                  | Governmental Activities | Business-type Activities |
| \$ -             | \$ (17,269,299)                                   | \$ -                    | \$ (17,269,299)          |
| 11,514           | (39,095,937)                                      | -                       | (39,095,937)             |
| 5,599,135        | (7,483,488)                                       | -                       | (7,483,488)              |
| 1,711,395        | (1,526,052)                                       | -                       | (1,526,052)              |
| 1,097,450        | (7,832,577)                                       | -                       | (7,832,577)              |
| -                | (978,720)   | -                       | (978,720)                |
| 8,419,494        | (74,186,073)                                      | -                       | (74,186,073)             |
| 2,299,716        | -   | 15,666,422              | 15,666,422               |
| 750              | -   | 6,254,214               | 6,254,214                |
| 2,584,145        | -   | 6,867,055               | 6,867,055                |
| 4,122,543        | -   | 1,242,288               | 1,242,288                |
| 22,016           | -   | (3,844,292)             | (3,844,292)              |
| -                | -   | 229,173                 | 229,173                  |
| -                | -   | 933,970                 | 933,970                  |
| -                | -   | (3,005,505)             | (3,005,505)              |
| -                | -   | (695,643)               | (695,643)                |
| -                | -   | (83,142)                | (83,142)                 |
| -                | -   | 197,057                 | 197,057                  |
| 9,029,170        | -   | 23,761,596              | 23,761,596               |
| \$ 17,448,664    | (74,186,073)                                      | 23,761,596              | (50,424,477)             |
|                  | 7,898,843   | -                       | 7,898,843                |
|                  | 47,165,825  | -                       | 47,165,825               |
|                  | 2,884,004   | -                       | 2,884,004                |
|                  | 544,198   | -                       | 544,198                  |
|                  | 1,400,290   | -                       | 1,400,290                |
|                  | 7,480,427   | -                       | 7,480,427                |
|                  | 2,555,875   | -                       | 2,555,875                |
|                  | 2,744,200   | 4,433,709               | 7,177,909                |
|                  | 2,270,770   | 2,598,540               | 4,869,310                |
|                  | 8,403,387   | (8,403,387)             | -                        |
|                  | 83,347,819  | (1,371,138)             | 81,976,681               |
|                  | 9,161,746   | 22,390,458              | 31,552,204               |
|                  | 413,571,549                                       | 480,643,009             | 894,214,558              |
| \$               | 422,733,295                                       | \$ 503,033,467          | \$ 925,766,762           |

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

**CITY OF COLUMBIA, MISSOURI  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2016**

|   | <u>Major Funds</u>   |                             | <u>Non-Major<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---|----------------------|-----------------------------|----------------------------|---|
|   | <u>General</u>       | <u>Capital<br/>Projects</u> |                            |   |
| <b>ASSETS</b>   |                      |                             |                            |   |
| Cash and cash equivalents   | \$ 31,685,775        | \$ 34,435,040               | \$ 17,368,523              | \$ 83,489,338                           |
| Accounts receivable, net  | 277,289              | 2,386,583                   | 99,033                     | 2,762,905                               |
| Due from other funds  | 2,729,746            | -                           | -                          | 2,729,746                               |
| Due from Pension fund   | 1,735,990            | -                           | -                          | 1,735,990                               |
| Taxes receivable, net   | 12,359,827           | -                           | 4,487,815                  | 16,847,642                              |
| Grants receivable   | 149,711              | -                           | 522,632                    | 672,343                                 |
| Rehabilitation loans receivable, net  | -                    | -                           | 7,171,856                  | 7,171,856                               |
| Accrued interest  | 55,876               | 56,564                      | 200,730                    | 313,170                                 |
| Prepaid items   | 46,798               | -                           | 3,018                      | 49,816                                  |
| Inventory   | 329,996              | -                           | -                          | 329,996                                 |
| Advances to other funds   | -                    | -                           | 3,777,485                  | 3,777,485                               |
| Other assets - current  | -                    | -                           | 53,632                     | 53,632                                  |
| Restricted assets:  |                      |                             |                            |   |
| Cash and cash equivalents   | -                    | -                           | 11,663,141                 | 11,663,141                              |
| Grants receivable   | -                    | 1,985,289                   | -                          | 1,985,289                               |
| <b>Total assets</b>   | <u>\$ 49,371,008</u> | <u>\$ 38,863,476</u>        | <u>\$ 45,347,865</u>       | <u>\$ 133,582,349</u>                   |
| <b>LIABILITIES</b>  |                      |                             |                            |   |
| Accounts payable  | \$ 2,443,729         | \$ 2,064,172                | \$ 106,482                 | \$ 4,614,383                            |
| Accrued payroll and payroll taxes   | 1,764,408            | 8,836                       | 32,045                     | 1,805,289                               |
| Due to other funds  | -                    | -                           | 236,950                    | 236,950                                 |
| Advances from other funds   | -                    | 329,000                     | -                          | 329,000                                 |
| Unearned revenue  | 198,107              | -                           | -                          | 198,107                                 |
| Other liabilities   | 2,210,091            | -                           | 103,468                    | 2,313,559                               |
| <b>Total liabilities</b>  | <u>6,616,335</u>     | <u>2,402,008</u>            | <u>478,945</u>             | <u>9,497,288</u>                        |
| <b>DEFERRED INFLOWS</b>   |                      |                             |                            |   |
| Unavailable revenue-property taxes  | 7,805,029            | -                           | -                          | 7,805,029                               |
| Unavailable revenue-grants  | 37,584               | 539,412                     | 227,746                    | 804,742                                 |
| <b>Total deferred inflows</b>   | <u>7,842,613</u>     | <u>539,412</u>              | <u>227,746</u>             | <u>8,609,771</u>                        |
| <b>FUND BALANCES</b>  |                      |                             |                            |   |
| Nonspendable  | 376,794              | -                           | 1,503,018                  | 1,879,812                               |
| Restricted  | -                    | 33,388,328                  | 32,933,023                 | 66,321,351                              |
| Committed   | 2,995,787            | 2,533,728                   | 9,996,941                  | 15,526,456                              |
| Assigned  | 2,293,515            | -                           | 213,104                    | 2,506,619                               |
| Unassigned  | 29,245,964           | -                           | (4,912)                    | 29,241,052                              |
| <b>Total fund balances</b>  | <u>34,912,060</u>    | <u>35,922,056</u>           | <u>44,641,174</u>          | <u>115,475,290</u>                      |
| <b>Total liabilities, deferred inflows of resources<br/>    and fund balances</b> | <u>\$ 49,371,008</u> | <u>\$ 38,863,476</u>        | <u>\$ 45,347,865</u>       | <u>\$ 133,582,349</u>                   |

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

**CITY OF COLUMBIA, MISSOURI**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2016**

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

|  |                      |                              |
|--|----------------------|------------------------------|
| Total fund balance - total governmental funds  |                      | \$ 115,475,290               |
| <p>Capital assets used in governmental activities, including applicable internal service funds, are not current financial resources, and therefore, are not reported in the governmental funds.</p>  |                      |                              |
| Governmental capital assets  | \$ 523,840,625       |                              |
| Less accumulated depreciation  | <u>(119,243,447)</u> | 404,597,178                  |
| <p>Internal service funds are used by management to charge the costs of custodial maintenance, information technology, public communications, fleet operations, self insurance, and employee benefits; and, therefore, the assets and liabilities of the internal service funds are included in governmental activities in the statement of net position, net of capital assets. (see page 50)</p> |                      |                              |
|  |                      | 20,522,775                   |
| <p>Certain deferred outflows and inflows of resources represent a consumption or acquisition of net position in a future period and therefore are not reported in the funds.</p>   |                      |                              |
| Deferred charge on refundings of debt  |                      | 1,423,116                    |
| Pension related outflows - Lagers  |                      | 9,624,338                    |
| Pension related outflows - Police and Fire Fund  |                      | 22,979,220                   |
| Pension related inflows - Lagers   |                      | (1,850,712)                  |
| Pension related inflows - Police and Fire Fund   |                      | (382,456)                    |
| <p>Long-term liabilities, including special obligation bonds and notes, accrued compensated absences and pension liabilities are not due and payable in the current period and therefore, are not reported as liabilities in the governmental funds.</p>   |                      |                              |
| Accrued compensated absences   | \$ (3,799,044)       |                              |
| Special Obligation Bonds, including unamortized bond premium   | (19,249,375)         |                              |
| Lemone Trust Note  | (5,806,420)          |                              |
| MTFC Loan  | (4,823,731)          |                              |
| Net pension liability - Lagers   | (3,233,569)          |                              |
| Net pension liability - Police and Fire  | (113,873,189)        |                              |
| Accrued interest payable   | <u>(91,455)</u>      | (150,876,783)                |
| <p>Some of the City's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore, are reported as a deferred inflow of resources.</p>  |                      |                              |
|  |                      | 872,542                      |
| <p>The OPEB asset reported in governmental activities is not a financial resource and therefore is not reported in the funds</p>   |                      |                              |
|  |                      | 855,612                      |
| <p>Internal service fund allocated to business type activities</p>   |                      |                              |
|  |                      | (506,825)                    |
| Net Position of Governmental Activities  |                      | <u><u>\$ 422,733,295</u></u> |

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



**CITY OF COLUMBIA, MISSOURI**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

|  | <u>Major Funds</u>   |                             | <u>Non-Major<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|----------------------|-----------------------------|----------------------------|---|
|  | <u>General</u>       | <u>Capital<br/>Projects</u> |                            |   |
| <b>REVENUES</b>                                      |                      |                             |                            |   |
| General property taxes                               | \$ 7,898,843         | \$ -                        | \$ -                       | \$ 7,898,843                            |
| Sales tax  | 23,321,470           | -                           | 24,346,267                 | 47,667,737                              |
| Other local taxes                                    | 11,641,679           | -                           | 2,555,875                  | 14,197,554                              |
| Licenses and permits                                 | 1,031,218            | -                           | -                          | 1,031,218                               |
| Fines  | 1,805,859            | -                           | -                          | 1,805,859                               |
| Fees and service charges                             | 3,251,931            | -                           | 1,674,275                  | 4,926,206                               |
| Intragovernmental revenue                            | 4,407,469            | -                           | -                          | 4,407,469                               |
| Revenue from other governmental units                | 4,119,790            | 6,955,561                   | 3,312,764                  | 14,388,115                              |
| Lease revenue  | -                    | -                           | 1,755,731                  | 1,755,731                               |
| Investment revenue                                   | 699,133              | 961,667                     | 682,139                    | 2,342,939                               |
| Miscellaneous  | 1,215,312            | 917,119                     | 138,339                    | 2,270,770                               |
| Total Revenues                                       | <u>59,392,704</u>    | <u>8,834,347</u>            | <u>34,465,390</u>          | <u>102,692,441</u>                      |
| <b>EXPENDITURES</b>                                  |                      |                             |                            |   |
| Current:   |                      |                             |                            |   |
| Policy development and administration                | 10,397,355           | -                           | 2,275,952                  | 12,673,307                              |
| Public safety  | 40,664,606           | -                           | -                          | 40,664,606                              |
| Transportation                                       | 7,643,352            | -                           | 79,549                     | 7,722,901                               |
| Health and environment                               | 9,265,460            | -                           | 1,638,644                  | 10,904,104                              |
| Personal development                                 | 7,702,207            | -                           | 145,817                    | 7,848,024                               |
| Misc. nonprogrammed activities                       | 272,656              | -                           | -                          | 272,656                                 |
| Capital outlay                                       | 1,744,541            | 20,990,373                  | -                          | 22,734,914                              |
| Debt service:  |                      |                             |                            |   |
| Principal  | -                    | -                           | 8,508,973                  | 8,508,973                               |
| Interest   | -                    | -                           | 1,209,593                  | 1,209,593                               |
| Bond issuance and other costs                        | -                    | -                           | 237,281                    | 237,281                                 |
| Total Expenditures                                   | <u>77,690,177</u>    | <u>20,990,373</u>           | <u>14,095,809</u>          | <u>112,776,359</u>                      |
| Excess (Deficiency) of Revenues<br>over Expenditures | <u>(18,297,473)</u>  | <u>(12,156,026)</u>         | <u>20,369,581</u>          | <u>(10,083,918)</u>                     |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                      |                             |                            |   |
| Transfers in   | 24,987,499           | 10,493,388                  | 11,565,923                 | 47,046,810                              |
| Transfers out  | (2,282,132)          | (1,511,322)                 | (34,373,903)               | (38,167,357)                            |
| Proceeds of refunding bonds issued                   | -                    | -                           | 17,580,000                 | 17,580,000                              |
| Premium on refunding bonds issued                    | -                    | -                           | 1,699,838                  | 1,699,838                               |
| Payment to refunded bond escrow agent                | -                    | -                           | (19,039,585)               | (19,039,585)                            |
| Total Other Financing Sources (Uses)                 | <u>22,705,367</u>    | <u>8,982,066</u>            | <u>(22,567,727)</u>        | <u>9,119,706</u>                        |
| Net Change in Fund Balances                          | 4,407,894            | (3,173,960)                 | (2,198,146)                | (964,212)                               |
| FUND BALANCE - BEGINNING                             | <u>30,504,166</u>    | <u>39,096,016</u>           | <u>46,839,320</u>          | <u>116,439,502</u>                      |
| FUND BALANCE - ENDING                                | <u>\$ 34,912,060</u> | <u>\$ 35,922,056</u>        | <u>\$ 44,641,174</u>       | <u>\$ 115,475,290</u>                   |

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

**CITY OF COLUMBIA, MISSOURI  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

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

|   |                     |
|---|---------------------|
| Net change in fund balances - total governmental funds  | \$ (964,212)        |
| <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Additionally, contributions of capital assets to the City are recorded as capital contributions on the Statement of Activities. This is the amount by which capital outlays and capital contributions, meeting the capitalization threshold, exceeded depreciation expense in the current year. Details of the reported amounts are as follows:</p> |                     |
| Capital outlay  | 22,734,915          |
| Net transfer from Internal Service fund   | 36,225              |
| Capital contribution  | 11,514              |
| Loss on disposal of capital assets  | (280,120)           |
| Depreciation expense  | <u>(10,816,245)</u> |
|   | 11,686,289          |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.  | (913,450)           |
| The repayment of the principal of long-term debt consumes the current financial resources of governmental funds.  | 6,314,473           |
| <p>Bond proceeds provide current financial resources to governmental funds; however issuing debt increases long-term liabilities in the Statement of Net Position:</p>  |                     |
| Issuance of 2016 Bonds  | (17,580,000)        |
| Premium on Bonds Payable  | (1,699,838)         |
| Unamortized charge on refunding   | 1,449,085           |
| Payment for 2008 refunded bonds   | <u>19,785,000</u>   |
|   | 1,954,247           |
| Amortization of deferred outflow of resources resulting from deferred refunding loss.   | (29,302)            |
| Amortized premium on Bonds Payable  | 196,884             |
| In the Statement of Activities compensated absences is accrued whereas in the Governmental Funds an expenditure is reported when due and matured.   | (628,083)           |
| In the Statement of Activities interest is accrued whereas in the governmental funds an expenditure is reported when due.   | 63,717              |
| <p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:</p>  |                     |
| Pension related amounts, pension expense - Lagers   | (1,806,103)         |
| Pension related amounts, pension expense - Police and Fire  | (7,612,788)         |
| Change in other post employment benefit asset (obligation)  | 442,368             |
| Change in internal service funds allocated to business-type activities  | (921,934)           |
| Internal service funds are used by the City to charge the costs of custodial maintenance, information technology, public communications, fleet operations, self insurance, and employee benefits to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities. (see page 51)   | <u>1,379,640</u>    |
| Change in net position of governmental activities   | <u>\$ 9,161,746</u> |

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

**CITY OF COLUMBIA, MISSOURI  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2016**

|  | <u>Major Enterprise Funds</u>         |                                   | <u>Non-Major<br/>Enterprise<br/>Funds</u> | <u>Total<br/>Enterprise<br/>Funds</u> | <u>Internal<br/>Service Funds</u> |
|--|---------------------------------------|-----------------------------------|---|---------------------------------------|-----------------------------------|
|  | <u>Water and<br/>Electric Utility</u> | <u>Sanitary<br/>Sewer Utility</u> |   |                                       |                                   |
| <b>ASSETS</b>  |                                       |                                   |   |                                       |                                   |
| Current assets:  |                                       |                                   |   |                                       |                                   |
| Cash and cash equivalents                              | \$ 49,256,229                         | \$ 14,932,483                     | \$ 25,542,171                             | \$ 89,730,883                         | \$ 23,463,478                     |
| Investments  | -                                     | -                                 | -   | -                                     | 1,300,767                         |
| Receivables (net of allowance for uncollectibles)      | 24,342,315                            | 1,790,610                         | 3,144,323                                 | 29,277,248                            | 455,730                           |
| Grants receivable                                      | -                                     | -                                 | 2,320,896                                 | 2,320,896                             | 13,260                            |
| Accrued interest                                       | 172,060                               | 69,930                            | 80,293                                    | 322,283                               | 38,066                            |
| Loans receivable from other funds                      | 153,205                               | -                                 | -   | 153,205                               | -                                 |
| Inventories  | 6,312,335                             | 7,577                             | 524,849                                   | 6,844,761                             | 923,263                           |
| Prepaid items  | 14,273                                | 5                                 | 77,892                                    | 92,170                                | 19,892                            |
| Total current assets                                   | <u>80,250,417</u>                     | <u>16,800,605</u>                 | <u>31,690,424</u>                         | <u>128,741,446</u>                    | <u>26,214,456</u>                 |
| Noncurrent assets:                                     |                                       |                                   |   |                                       |                                   |
| Restricted assets:                                     |                                       |                                   |   |                                       |                                   |
| Bond covenant account cash                             | 62,699,173                            | 25,727,216                        | 2,556,222                                 | 90,982,611                            | -                                 |
| Closure and postclosure reserve                        | -                                     | -                                 | 2,690,137                                 | 2,690,137                             | -                                 |
| Customer security and escrow cash                      | 4,097,150                             | 1,110,528                         | 651,811                                   | 5,859,489                             | -                                 |
| Grants receivable                                      | -                                     | -                                 | 1,327,986                                 | 1,327,986                             | -                                 |
| Total restricted assets                                | <u>66,796,323</u>                     | <u>26,837,744</u>                 | <u>7,226,156</u>                          | <u>100,860,223</u>                    | <u>-</u>                          |
| Loans receivable from other funds                      | 2,553,934                             | -                                 | -   | 2,553,934                             | -                                 |
| Capital assets:  |                                       |                                   |   |                                       |                                   |
| Land   | 10,113,693                            | 4,332,508                         | 7,601,157                                 | 22,047,358                            | 308,563                           |
| Structures and improvements                            | 44,005,813                            | 281,383,339                       | 158,319,580                               | 483,708,732                           | 1,014,490                         |
| Improvements other than buildings                      | -                                     | -                                 | -   | -                                     | 891,779                           |
| Furniture, fixtures and equipment                      | 452,620,882                           | 8,455,383                         | 39,654,435                                | 500,730,700                           | 8,024,078                         |
| Construction in progress                               | 6,483,601                             | 5,180,750                         | 3,922,032                                 | 15,586,383                            | -                                 |
| Less accumulated depreciation                          | <u>(228,321,894)</u>                  | <u>(72,031,022)</u>               | <u>(87,846,479)</u>                       | <u>(388,199,395)</u>                  | <u>(7,078,578)</u>                |
| Total capital assets (net of accumulated depreciation) | <u>284,902,095</u>                    | <u>227,320,958</u>                | <u>121,650,725</u>                        | <u>633,873,778</u>                    | <u>3,160,380</u>                  |
| Total noncurrent assets                                | <u>354,252,352</u>                    | <u>254,158,702</u>                | <u>128,876,881</u>                        | <u>737,287,935</u>                    | <u>3,160,380</u>                  |
| <b>Total Assets</b>                                    | <u>434,502,769</u>                    | <u>270,959,307</u>                | <u>160,567,305</u>                        | <u>866,029,381</u>                    | <u>29,374,836</u>                 |
| <b>DEFERRED OUTFLOWS</b>                               |                                       |                                   |   |                                       |                                   |
| Outflows related to pension                            | 10,815,194                            | 2,346,089                         | 6,354,418                                 | 19,515,701                            | 3,939,107                         |
| Deferred charge on refunding of debt                   | 9,450,892                             | 43,409                            | 166,371                                   | 9,660,672                             | -                                 |
| Total deferred outflows                                | <u>20,266,086</u>                     | <u>2,389,498</u>                  | <u>6,520,789</u>                          | <u>29,176,373</u>                     | <u>3,939,107</u>                  |
| <b>LIABILITIES</b>                                     |                                       |                                   |   |                                       |                                   |
| Current liabilities:                                   |                                       |                                   |   |                                       |                                   |
| Accounts payable                                       | 4,107,450                             | 252,035                           | 1,156,690                                 | 5,516,175                             | 973,536                           |
| Accrued payroll and payroll taxes                      | 677,931                               | 148,637                           | 508,315                                   | 1,334,883                             | 314,722                           |
| Accrued compensated absences                           | 866,216                               | 161,894                           | 462,887                                   | 1,490,997                             | 334,044                           |
| Accrued sales taxes                                    | 490,206                               | -                                 | 202                                       | 490,408                               | -                                 |
| Due to other funds                                     | 2,030,196                             | -                                 | 462,600                                   | 2,492,796                             | -                                 |
| Loan payable to other funds - current maturities       | -                                     | -                                 | 153,205                                   | 153,205                               | -                                 |
| Obligations under capital leases                       | -                                     | -                                 | 72,643                                    | 72,643                                | 10,132                            |
| Unearned revenue                                       | -                                     | -                                 | 533,040                                   | 533,040                               | -                                 |
| Other liabilities                                      | 570,749                               | 11,828                            | 35,239                                    | 617,816                               | 3,398,484                         |
| Construction contracts payable                         | 2,170,814                             | 1,151,672                         | 1,530,745                                 | 4,853,231                             | -                                 |
| Accrued interest                                       | 3,530,640                             | 1,071,613                         | 91,291                                    | 4,693,544                             | -                                 |
| Revenue bonds payable - current maturities             | 5,690,000                             | 5,047,000                         | -   | 10,737,000                            | -                                 |
| Special obligation bonds payable - current maturities  | 1,370,000                             | 510,000                           | 870,000                                   | 2,750,000                             | -                                 |
| Customer security and escrow deposits                  | 4,097,150                             | 1,124,252                         | 657,528                                   | 5,878,930                             | -                                 |
| Total current liabilities                              | <u>25,601,352</u>                     | <u>9,478,931</u>                  | <u>6,534,385</u>                          | <u>41,614,668</u>                     | <u>5,030,918</u>                  |
| Noncurrent liabilities:                                |                                       |                                   |   |                                       |                                   |
| Accrued compensated absences                           | 467,995                               | 87,467                            | 251,028                                   | 806,490                               | 180,478                           |
| Loans payable to other funds                           | -                                     | -                                 | 2,553,934                                 | 2,553,934                             | -                                 |
| Obligations under capital leases                       | -                                     | -                                 | 653,034                                   | 653,034                               | -                                 |
| Revenue bonds payable                                  | 150,978,102                           | 89,303,720                        | -   | 240,281,822                           | -                                 |
| Special obligation bonds payable                       | 61,190,922                            | 4,940,331                         | 22,688,256                                | 88,819,509                            | -                                 |
| Advances from other funds                              | -                                     | -                                 | 3,448,485                                 | 3,448,485                             | -                                 |
| Other long-term liabilities                            | -                                     | -                                 | 2,690,137                                 | 2,690,137                             | 4,222,387                         |
| Net pension liability                                  | 6,768,803                             | 788,235                           | 2,134,946                                 | 9,691,984                             | 1,323,453                         |
| Total noncurrent liabilities                           | <u>219,405,822</u>                    | <u>95,119,753</u>                 | <u>34,419,820</u>                         | <u>348,945,395</u>                    | <u>5,726,318</u>                  |
| <b>Total Liabilities</b>                               | <u>245,007,174</u>                    | <u>104,598,684</u>                | <u>40,954,205</u>                         | <u>390,560,063</u>                    | <u>10,757,236</u>                 |
| <b>DEFERRED INFLOWS</b>                                |                                       |                                   |   |                                       |                                   |
| Deferred gain on refunding of debt                     | 136,584                               | -                                 | -   | 136,584                               | -                                 |
| Inflows related to pension                             | 1,585,865                             | 451,141                           | 1,221,922                                 | 3,258,928                             | 757,469                           |
| Total deferred inflows                                 | <u>1,722,449</u>                      | <u>451,141</u>                    | <u>1,221,922</u>                          | <u>3,395,512</u>                      | <u>757,469</u>                    |
| <b>NET POSITION</b>                                    |                                       |                                   |   |                                       |                                   |
| Net investment in capital assets                       | 123,253,109                           | 143,314,726                       | 99,225,757                                | 365,793,592                           | 3,150,248                         |
| Restricted for:  |                                       |                                   |   |                                       |                                   |
| Debt service   | 9,402,803                             | 7,897,078                         | 853,789                                   | 18,153,670                            | -                                 |
| Capital projects                                       | -                                     | -                                 | 1,327,986                                 | 1,327,986                             | -                                 |
| Statutory restrictions                                 | 1,500,000                             | 1,007,115                         | -   | 2,507,115                             | -                                 |
| Unrestricted   | <u>73,883,320</u>                     | <u>16,080,061</u>                 | <u>23,504,435</u>                         | <u>113,467,816</u>                    | <u>18,648,990</u>                 |
| <b>Total Net Position</b>                              | <u>\$ 208,039,232</u>                 | <u>\$ 168,298,980</u>             | <u>\$ 124,911,967</u>                     | <u>501,250,179</u>                    | <u>\$ 21,799,238</u>              |

Some amounts reported for business-type activities in the Statement of Net Position are different because certain internal service fund assets and liabilities are included with business-type activities.

|                       |
|-----------------------|
| 1,783,288             |
| <u>\$ 503,033,467</u> |

**CITY OF COLUMBIA, MISSOURI**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

|  | <b>Major Enterprise Funds</b>         |                                   | <b>Non-Major<br/>Enterprise<br/>Funds</b> | <b>Total<br/>Enterprise<br/>Funds</b> | <b>Internal<br/>Service Funds</b> |
|--|---------------------------------------|-----------------------------------|---|---------------------------------------|-----------------------------------|
|  | <b>Water and<br/>Electric Utility</b> | <b>Sanitary<br/>Sewer Utility</b> |   |                                       |                                   |
| <b>OPERATING REVENUES</b>                        |                                       |                                   |   |                                       |                                   |
| Charges for services                             | \$ 155,212,893                        | \$ 22,627,392                     | \$ 33,233,435                             | \$ 211,073,720                        | \$ 42,359,009                     |
| <b>OPERATING EXPENSES</b>                        |                                       |                                   |   |                                       |                                   |
| Personal services                                | 20,893,364                            | 4,822,491                         | 16,444,465                                | 42,160,320                            | 9,854,117                         |
| Materials, supplies, and power                   | 73,939,979                            | 1,003,936                         | 6,398,612                                 | 81,342,527                            | 6,421,374                         |
| Travel and training                              | 345,893                               | 6,589                             | 48,474                                    | 400,956                               | 169,561                           |
| Intragovernmental                                | 6,363,710                             | 1,702,198                         | 5,059,173                                 | 13,125,081                            | 590,437                           |
| Utilities, services, and miscellaneous           | 10,822,855                            | 2,871,992                         | 8,889,436                                 | 22,584,283                            | 23,914,083                        |
| Depreciation                                     | 15,069,433                            | 5,129,778                         | 6,501,096                                 | 26,700,307                            | 408,363                           |
| Total Operating Expenses                         | <u>127,435,234</u>                    | <u>15,536,984</u>                 | <u>43,341,256</u>                         | <u>186,313,474</u>                    | <u>41,357,935</u>                 |
| Operating Income (Loss)                          | <u>27,777,659</u>                     | <u>7,090,408</u>                  | <u>(10,107,821)</u>                       | <u>24,760,246</u>                     | <u>1,001,074</u>                  |
| <b>NONOPERATING REVENUES (EXPENSES)</b>          |                                       |                                   |   |                                       |                                   |
| Investment revenue                               | 2,328,545                             | 1,247,128                         | 834,399                                   | 4,410,072                             | 424,898                           |
| Revenue from other governmental units            | -                                     | -                                 | 2,557,913                                 | 2,557,913                             | 84,824                            |
| Miscellaneous revenue                            | 1,837,203                             | 319,263                           | 442,074                                   | 2,598,540                             | 638,042                           |
| Interest expense                                 | (8,145,631)                           | (2,568,836)                       | (1,210,160)                               | (11,924,627)                          | (427)                             |
| Loss on disposal of capital assets               | (761,565)                             | (24,946)                          | (583,337)                                 | (1,369,848)                           | (14,620)                          |
| Miscellaneous expense                            | (4,649)                               | (398,693)                         | (64,298)                                  | (467,640)                             | -                                 |
| Total Nonoperating Revenues (Expenses)           | <u>(4,746,097)</u>                    | <u>(1,426,084)</u>                | <u>1,976,591</u>                          | <u>(4,195,590)</u>                    | <u>1,132,717</u>                  |
| Income (Loss) Before Contributions and Transfers | 23,031,562                            | 5,664,324                         | (8,131,230)                               | 20,564,656                            | 2,133,791                         |
| Capital contributions                            | 2,300,466                             | 2,584,145                         | 4,144,559                                 | 9,029,170                             | -                                 |
| Transfers in                                     | -                                     | 117,923                           | 9,268,635                                 | 9,386,558                             | 50,000                            |
| Transfers out                                    | <u>(16,734,005)</u>                   | <u>(185,136)</u>                  | <u>(762,594)</u>                          | <u>(17,681,735)</u>                   | <u>(634,276)</u>                  |
| Total Net Transfers and Capital Contributions    | (14,433,539)                          | 2,516,932                         | 12,650,600                                | 733,993                               | (584,276)                         |
| Change in Net Position                           | 8,598,023                             | 8,181,256                         | 4,519,370                                 | 21,298,649                            | 1,549,515                         |
| <b>TOTAL NET POSITION - BEGINNING</b>            | <u>199,441,209</u>                    | <u>160,117,724</u>                | <u>120,392,597</u>                        |                                       | <u>20,249,723</u>                 |
| <b>TOTAL NET POSITION - ENDING</b>               | <u>\$ 208,039,232</u>                 | <u>\$ 168,298,980</u>             | <u>\$ 124,911,967</u>                     |                                       | <u>\$ 21,799,238</u>              |

Some amounts reported for business-type activities in the Statement of Activities are different because the portion of the net income of certain internal service funds are reported with the business-type activities which those funds service.

1,091,809

Change in net position of business-type activities

\$ 22,390,458

**CITY OF COLUMBIA, MISSOURI  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

|  | Major Enterprise Funds             |                                | Non-major<br>Enterprise<br>Funds | Total<br>Enterprise<br>Funds | Internal<br>Service Funds |
|--|------------------------------------|--------------------------------|----------------------------------|------------------------------|---------------------------|
|  | Water and Electric<br>Utility Fund | Sanitary Sewer<br>Utility Fund |                                  |                              |                           |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                                    |                                |                                  |                              |                           |
| Cash received from customers (including other funds)   | \$ 153,910,597                     | \$ 22,974,344                  | \$ 33,140,254                    | \$ 210,025,195               | \$ 42,476,021             |
| Cash received from other sources   | 1,837,203                          | 319,263                        | 442,074                          | 2,598,540                    | 638,042                   |
| Cash payments to suppliers   | (84,001,359)                       | (3,825,729)                    | (12,723,450)                     | (100,550,538)                | (30,604,162)              |
| Cash payments to employees   | (19,323,387)                       | (4,521,021)                    | (15,476,481)                     | (39,320,889)                 | (9,411,458)               |
| Cash payments to other funds   | (6,363,710)                        | (1,702,198)                    | (5,763,073)                      | (13,828,981)                 | (590,437)                 |
| Cash received (payments) for other expenses  | 28,318                             | -                              | 202                              | 28,520                       | -                         |
| Net cash provided (used) for operating activities  | <u>46,087,662</u>                  | <u>13,244,659</u>              | <u>(380,474)</u>                 | <u>58,951,847</u>            | <u>2,508,006</u>          |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>   |                                    |                                |                                  |                              |                           |
| Transfers in   | -                                  | 117,923                        | 9,268,635                        | 9,386,558                    | 50,000                    |
| Transfers out  | (16,734,005)                       | (185,136)                      | (762,594)                        | (17,681,735)                 | (634,276)                 |
| Payments of advances from other funds  | -                                  | -                              | (533,898)                        | (533,898)                    | -                         |
| Revenue from other governmental units  | -                                  | -                              | 1,019,217                        | 1,019,217                    | 101,769                   |
| Net cash provided (used) for noncapital financing activities   | <u>(16,734,005)</u>                | <u>(67,213)</u>                | <u>8,991,360</u>                 | <u>(7,809,858)</u>           | <u>(482,507)</u>          |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>  |                                    |                                |                                  |                              |                           |
| Proceeds from bonds and loans  | -                                  | 4,983,228                      | 2,468,512                        | 7,451,740                    | -                         |
| Debt service - interest payments   | (7,545,593)                        | (2,715,889)                    | (1,390,040)                      | (11,651,522)                 | (427)                     |
| Debt service - principal   | (7,435,652)                        | (10,953,152)                   | (5,247,163)                      | (23,635,967)                 | (24,001)                  |
| Acquisition and construction of capital assets   | (18,145,647)                       | (7,905,308)                    | (13,220,210)                     | (39,271,165)                 | (224,914)                 |
| Fiscal agent fees payments   | (4,694)                            | (398,693)                      | (64,298)                         | (467,685)                    | -                         |
| Capital contributions, cash  | -                                  | -                              | 5,724,347                        | 5,724,347                    | -                         |
| Net cash (used) for capital and related financing activities   | <u>(33,131,586)</u>                | <u>(16,989,814)</u>            | <u>(11,728,852)</u>              | <u>(61,850,252)</u>          | <u>(249,342)</u>          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                                    |                                |                                  |                              |                           |
| Interest received  | 2,328,704                          | 1,243,176                      | 827,166                          | 4,399,046                    | 413,566                   |
| Purchase of investments  | -                                  | -                              | -                                | -                            | (1,300,767)               |
| Sale of investments  | -                                  | -                              | -                                | -                            | 4,862,414                 |
| Net cash provided for investing activities   | <u>2,328,704</u>                   | <u>1,243,176</u>               | <u>827,166</u>                   | <u>4,399,046</u>             | <u>3,975,213</u>          |
| Net increase (decrease) in cash and cash equivalents   | (1,449,225)                        | (2,569,192)                    | (2,290,800)                      | (6,309,217)                  | 5,751,370                 |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>  | <u>117,501,777</u>                 | <u>44,339,419</u>              | <u>33,731,141</u>                | <u>195,572,337</u>           | <u>17,712,108</u>         |
| <b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>  | <u>\$ 116,052,552</u>              | <u>\$ 41,770,227</u>           | <u>\$ 31,440,341</u>             | <u>\$ 189,263,120</u>        | <u>\$ 23,463,478</u>      |
| Displayed as:  |                                    |                                |                                  |                              |                           |
| Cash and cash equivalents  | \$ 49,256,229                      | \$ 14,932,483                  | \$ 25,542,171                    | \$ 89,730,883                | \$ 23,463,478             |
| Restricted assets  | 66,796,323                         | 26,837,744                     | 5,898,170                        | 99,532,237                   | -                         |
|  | <u>\$ 116,052,552</u>              | <u>\$ 41,770,227</u>           | <u>\$ 31,440,341</u>             | <u>\$ 189,263,120</u>        | <u>\$ 23,463,478</u>      |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) FOR OPERATING ACTIVITIES</b>    |                                    |                                |                                  |                              |                           |
| Operating income (loss)  | \$ 27,777,659                      | \$ 7,090,408                   | \$ (10,107,821)                  | \$ 24,760,246                | \$ 1,001,074              |
| Adjustments to reconcile operating income (loss) to net cash provided (used) for operating activities    |                                    |                                |                                  |                              |                           |
| Depreciation   | 15,069,433                         | 5,129,778                      | 6,501,096                        | 26,700,307                   | 408,363                   |
| Changes in assets and liabilities:   |                                    |                                |                                  |                              |                           |
| (Increase)/decrease in receivable  | (2,158,700)                        | 56,898                         | (95,901)                         | (2,197,703)                  | (58,193)                  |
| (Increase)/decrease in loans receivable from other funds   | 70,808                             | -                              | -                                | 70,808                       | -                         |
| (Increase)/decrease in inventory   | 959,122                            | (3,860)                        | (189,535)                        | 765,727                      | (20,208)                  |
| (Increase)/decrease in prepaid items   | (4,006)                            | 234                            | 8,552                            | 4,780                        | 26,100                    |
| Increase/(decrease) in accounts payable  | 148,884                            | 61,509                         | 144,343                          | 354,736                      | (27,791)                  |
| Increase/(decrease) in accrued payroll and payroll taxes   | (129,522)                          | (121,924)                      | (317,766)                        | (569,212)                    | (175,290)                 |
| Increase/(decrease) in accrued sales tax   | 28,318                             | -                              | 202                              | 28,520                       | -                         |
| Increase/(decrease) in due to other funds  | 389,592                            | -                              | (703,900)                        | (314,308)                    | (3,298)                   |
| Increase/(decrease) in loans payable to other funds  | -                                  | -                              | 2,720                            | 2,720                        | -                         |
| Increase/(decrease) in other liabilities   | 399,372                            | 288,959                        | 2,649,712                        | 3,338,043                    | (22,055)                  |
| Increase/(decrease) in claims payable - workers' compensation and general liability and health insurance | -                                  | -                              | -                                | -                            | 123,313                   |
| Increase/(decrease) in pension related items   | 1,699,499                          | 423,394                        | 1,285,750                        | 3,408,643                    | 617,949                   |
| Other non-operating revenue  | 1,837,203                          | 319,263                        | 442,074                          | 2,598,540                    | 638,042                   |
| Net cash provided (used) for operating activities  | <u>\$ 46,087,662</u>               | <u>\$ 13,244,659</u>           | <u>\$ (380,474)</u>              | <u>\$ 58,951,847</u>         | <u>\$ 2,508,006</u>       |
| <b>NONCASH INVESTING AND CAPITAL AND RELATED FINANCING ACTIVITIES</b>                                    |                                    |                                |                                  |                              |                           |
| Contributed water and sewer lines  | \$ 2,300,466                       | \$ 2,584,145                   | \$ -                             | \$ 4,884,611                 | \$ -                      |
| Change in fair value of investments and cash equivalents   | 202,843                            | 71,482                         | 29,526                           | 303,851                      | 75,971                    |
| Capital lease obligations  | -                                  | -                              | -                                | -                            | 34,133                    |
| Contributions of capital assets from governments   | -                                  | -                              | 1,579,788                        | -                            | -                         |
| Construction contracts payable   | 2,170,814                          | 1,151,672                      | 1,530,745                        | 4,853,231                    | -                         |
| Total noncash capital and related financing activities   | <u>\$ 4,674,123</u>                | <u>\$ 3,807,299</u>            | <u>\$ 3,140,059</u>              | <u>\$ 10,041,693</u>         | <u>\$ 110,104</u>         |

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

**CITY OF COLUMBIA, MISSOURI**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2016**

|                                       | <b>Pension and OPEB<br/>Trust<br/>Funds</b> | <b>Private<br/>Purpose<br/>Trust Fund</b> | <b>Agency<br/>Funds</b> |
|---------------------------------------|---|---|-------------------------|
| <b>ASSETS</b>                         |   |   |                         |
| Cash and cash equivalents             | \$ 505,427                                  | \$ 340,631                                | \$ 5,546,455            |
| Accounts receivable                   | -   | -   | 126,905                 |
| Taxes receivable, net                 | -   | -   | 3,955,104               |
| Accrued interest                      | 297,315                                     | 568                                       | 9,177                   |
| Other assets                          | -   | 161,307                                   | -                       |
| Investments:                          |   |   |                         |
| Corporate bonds                       | 22,802,346                                  | -   | -                       |
| Common stock and mutual funds         | 71,518,183                                  | -   | -                       |
| U.S. Government and agency securities | 11,275,460                                  | -   | -                       |
| Money market                          | 6,611,464                                   | -   | -                       |
| Asset-backed securities               | 9,242,450                                   | -   | -                       |
| OPEB investments-money market funds   | 2,689,471                                   | -   | -                       |
| Capital assets                        | 11,687                                      | -   | -                       |
| Accumulated depreciation              | (11,687)                                    | -   | -                       |
|                                       | <b>Total Assets</b>                         | <b>502,506</b>                            | <b>9,637,641</b>        |
| <b>LIABILITIES</b>                    |   |   |                         |
| Accounts payable                      | -   | 10,961                                    | 237,602                 |
| Accrued payroll and payroll taxes     | 24,312                                      | -   | -                       |
| Loan payable                          | -   | 404,740                                   | -                       |
| Due to other funds                    | 1,735,990                                   | -   | -                       |
| Due to other entities                 | -   | -   | 3,949,689               |
| Other liabilities                     | -   | 1,230                                     | 5,450,350               |
|                                       | <b>Total Liabilities</b>                    | <b>416,931</b>                            | <b>9,637,641</b>        |
| <b>NET POSITION</b>                   |   |   |                         |
| Net position held in trust            | 123,181,814                                 | 85,575                                    |                         |
|                                       | <b>Total Net Position</b>                   | <b>\$ 85,575</b>                          |                         |

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

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**CITY OF COLUMBIA, MISSOURI**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

|  | <b>Pension and OPEB<br/>Trust<br/>Funds</b> | <b>Private<br/>Purpose<br/>Trust Fund</b> |
|--|---|---|
|  | <hr/>                                       | <hr/>                                     |
| <b>ADDITIONS</b>   |   |   |
| Contributions:   |   |   |
| Chamber  | \$ -  | \$ 187,520                                |
| City   | 9,038,442                                   | 46,000                                    |
| County   | -   | 35,000                                    |
| University   | -   | 35,000                                    |
| Employee   | 1,553,634                                   | -   |
| Net investment revenue:  |   |   |
| Interest and dividends (includes net appreciation<br>in fair value of investments, net of investment fees) | 7,371,418                                   | 10,795                                    |
| Miscellaneous  | -   | 146,943                                   |
|  | <hr/>                                       | <hr/>                                     |
| <b>Total Additions</b>   | <b>17,963,494</b>                           | <b>461,258</b>                            |
|  | <hr/>                                       | <hr/>                                     |
| <b>DEDUCTIONS</b>  |   |   |
| Policy development and administration:   |   |   |
| Materials and supplies   | -   | 15,395                                    |
| Travel and training  | 4,576                                       | 19,010                                    |
| Intragovernmental  | 48,306                                      | -   |
| Services and miscellaneous   | 63,145                                      | 475,423                                   |
| Debt Service:  |   |   |
| Interest expense   | -   | 21,695                                    |
| Pension benefits   | 12,204,442                                  | -   |
| Refund of employees' contributions   | 243,453                                     | -   |
|  | <hr/>                                       | <hr/>                                     |
| <b>Total Deductions</b>  | <b>12,563,922</b>                           | <b>531,523</b>                            |
|  | <hr/>                                       | <hr/>                                     |
| Change in net position   | 5,399,572                                   | (70,265)                                  |
| NET POSITION - BEGINNING   | <hr/>                                       | <hr/>                                     |
|  | 117,782,242                                 | 155,840                                   |
| NET POSITION - ENDING  | <hr/>                                       | <hr/>                                     |
|  | <b>\$ 123,181,814</b>                       | <b>\$ 85,575</b>                          |
|  | <hr/>                                       | <hr/>                                     |

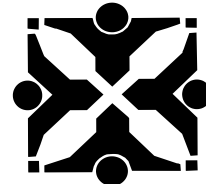
The notes to the financial statements are an integral part of this statement.



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# NOTES TO THE BASIC FINANCIAL STATEMENTS

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



# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

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# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

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# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies employed in the preparation of the accompanying basic financial statements.

#### A. Reporting Entity

The City of Columbia (the City) operates under a City Manager/Council, home rule charter form of government. The City's Basic Financial Statements include the accounts of all City operations: Policy Development and Administration, Public Safety, Transportation, Health and Environment, and Personal Development. Enterprise operations owned by the City include a Water and Electric Utility, Sanitary Sewer Utility, Regional Airport, Public Transportation System, Solid Waste Collection Operation, Parking Facilities, Recreation Services, Railroad System, Transload Facility and Storm Water System.

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

**Columbia Regional Library District (Library District)** - The City's Mayor appoints all members to the Library District's board on a staggering-term basis (appointments do not correspond to the mayoral term), and a board member cannot be removed except for specific acts (illegal acts, etc.). The Library District is able to establish and approve its own budget and legally set its own tax rates. Therefore, although the City appoints all members of the Library District's board, the entity is able to act independently without City oversight.

**Columbia Housing Authority (Authority)** – The relationship with this entity is similar to the Columbia Regional Library District. The City's Mayor appoints members of the Authority's board with the same restrictions, and cannot remove members without cause. The Authority establishes its own budgets, and is financed with federal funds and rentals. Operations are administered by the Authority without City oversight.

**City of Columbia New Century Fund, Inc. (Foundation)** - The Foundation is a legally separate, tax-exempt entity that acts primarily as a fund-raising organization to solicit contributions for the betterment of the City. The ten member Board is appointed by the City Council to serve a three-year term. No board member is allowed to serve more than two consecutive full terms on the Board. Although the City does not control the timing or amount of receipts from the Foundation, the majority of resources, or incomes thereon that the Foundation holds and invests are restricted to the activities of the City by the donors. However, the accumulation of restricted resources and the support given during the current year are not significant to the City.

#### B. Government-Wide and Fund Financial Accounting

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. The effect of interfund activities has been removed from these statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external parties.

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

The financial statements for the pension and other post employment benefits trust funds are prepared using economic resources measurement focus and the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due, as the City has a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, interest and principal on general long-term debt is recognized when due, or when payments are due early in the next fiscal year, and the advance of resources to the debt service fund is mandatory, and debt service expenditures are recognized before year-end to match the resources provided for these payments.

Sales tax, gasoline tax, motor vehicle tax, interest, and revenues from other governmental units associated with the current fiscal period are all considered to be susceptible to accrual and so they have been recognized as revenues of the current fiscal period, when available. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

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

The *capital projects fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

capital assets. Capital project funds exclude those types of capital related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

The City reports the following major proprietary funds:

The *water and electric utility fund* accounts for the billing and collection of charges for water and electric service for most city residents. Revenues are used to pay for both operating expenses and capital expenditures to maintain these services.

The *sanitary sewer utility fund* is used to account for the provision of sanitary sewer services to the residents of the city and a limited number of customers outside the city limits. All activities necessary to provide such services are accounted for in this fund.

Additionally, the City reports the following fund types:

*Internal service funds* account for custodial and maintenance services, utility customer services, information technology, community relations, fleet operations, self-insurance reserves, geographic information systems (GIS) and employee benefits for covered employees, provided to other departments or agencies of the City, or to other governments, on a cost reimbursement basis.

The *pension and other post employment benefits trust funds* are used to account for the accumulation of resources for pension benefit payments to qualified police and firefighter personnel and to account for the accumulation of resources for post employment benefits to qualified plan participants.

The *private purpose trust fund* is used to account for resources held by the City as an agent to account for REDI (Regional Economic Development, Inc.) transactions.

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

*Agency funds* account for resources held by the City in a trustee capacity.

The *Permanent fund* is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the City's programs.

*Debt service funds* are used to account for the accumulation of resources and payment of general and special obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the City is obligated in some manner for the payment.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements except for interfund services provided and used.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Federal S02 allowances that are sold represent allowances not

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

required for use in the normal operation of the Electric Utility; therefore sales of allowances are classified as nonoperating revenue.

### **D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

#### **1. Pooled Cash and Marketable Securities**

Cash resources of certain individual funds are combined to form a pool of cash and investments. All amounts of pooled cash and investments are reported as cash and cash equivalents in the financial statements because the City is able to withdraw cash at any time without prior notice or penalty. Interest income earned as a result of pooling is distributed to the appropriate funds based on the ending monthly balance of cash and marketable securities of each fund.

When a fund overdraws its share of pooled cash, the overdraft is reported as an interfund payable in that fund, and an interfund receivable in the General Fund. At September 30, 2016, \$65,745 had been reclassified due to fund overdrafts in the Non Motorized Grant Special Revenue Fund, \$85,139 had been reclassified due to fund overdrafts in CDBG/HOME Special Revenue Fund, \$1,735,990 had been reclassified due to fund overdrafts in Police and Fire Retirement Fund and \$462,600 had been reclassified due to fund overdrafts for Public Transportation Fund.

All City investments are reported at fair value in accordance with Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, except for money market investments which are reported at amortized cost.

Collateral is required for demand deposits and certificates of deposit. The fair value of the collateral must equal 100% of the value of the cash and investments in excess of deposit insurance. Obligations that may be pledged as collateral are of the same type as authorized for investment by the City. All legal requirements relating to deposits and investments were met during the year ended September 30, 2016.

Obligations pledged to secure deposits are delivered to the custodial bank. Written custodial agreements are required that provide that the collateral securities be held separate from the assets of the custodial bank.

Repurchase agreements are purchased from brokers and local banks. Securities underlying a repurchase agreement must have a fair value of at least 100% of the cost of the repurchase agreement. No substitution of securities is permitted. Securities underlying overnight repurchase agreements are held as collateral in the Federal Reserve Bank. For bank repurchase agreements, the securities are not held in the City's name but are pledged against the repurchase agreement pool held by the dealer bank. For broker repurchase agreements, the securities are held in the City's name.

#### **2. Unbilled Revenue**

The City records as accounts receivable in the Enterprise Fund financial statements the amount of accrued, but unbilled revenue for the Water and Electric Utility and Sanitary Sewer Utility Fund and non major Enterprise funds Solid Waste and Storm Water Utility Fund, determined by prorating actual subsequent billings.

#### **3. Tax Bills Receivable**

Special assessment tax bills are sold at book value, without recourse, to the Designated Loan and Special Tax Bill Investment Fund (a non-major governmental fund) when the special assessment project is completed. These tax bills are reported as taxes receivable in the Designated Loan Fund.



# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

### 4. Inventories

Inventories are adjusted to annual and periodic physical counts and are valued at cost utilizing the following methods of valuation:

General Fund - first-in, first-out  
Enterprise Funds - weighted average and first-in, first-out  
Internal Service Funds - first-in, first-out

The cost of governmental fund-type inventories are recorded as expenditures when consumed.

### 5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary fund financial statements. Capital assets are defined as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

In accordance with GASB Statement No. 34, general government infrastructure assets (streets, bridges, sidewalks) have been capitalized retroactively to 1980 at historical cost.

The costs of normal maintenance and repairs that do not enhance functionality or materially extend the life of an asset are not capitalized.

Capital assets, with two exceptions, are depreciated using the straight-line method over the following estimated useful lives:

|                               |             |
|-------------------------------|-------------|
| Buildings                     | 40 years    |
| Structures & Improvements     | 20-50 years |
| Air Easements                 | 35 years    |
| Mains & Sewers                | 99 years    |
| Streets, Bridges, Sidewalks   | 50 years    |
| Furniture and Other Equipment | 10-20 years |
| Vehicles                      | 2-10 years  |
| Computer Equipment            | 5 years     |
| Software                      | 3 years     |

Net interest costs on funds borrowed to finance the construction of capital assets are capitalized and depreciated over the life of the related asset for business-type activities and proprietary fund types. Interest is not capitalized for governmental activities or governmental fund types within the fund financial statements. In fiscal year 2016, the City capitalized \$203,378 of interest in the business-type activities.

Water and Electric assets are depreciated using estimated useful lives established by the Federal Energy Regulatory Commission. Landfill cells are depreciated using the units of consumption method.

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

### 6. Property Tax Revenue Recognition

Property tax revenue is recognized independent of receivable recognition in the fiscal year for which the taxes have been levied (budgeted). Delinquent taxes expected to be received later than 60 days after the close of the fiscal year are classified as a deferred inflow of resources within the governmental fund financial statements.

The City's property tax is levied each December 31 on the assessed valuation of property located within the City as of the preceding January 1, the lien date. Taxes are due in full on December 31, and become delinquent on January 1. The delinquent penalty for 2016 was 9% in January, increased by 2% in each succeeding month up through September for a maximum of 25%.

### 7. Intragovernmental Revenue

Several funds remit to the General Fund a budgeted fixed amount for management and accounting services rendered by the General Fund.

### 8. Compensated Absences

All vested or accumulated vacation and scheduled holiday leave is accrued when incurred in the government-wide and proprietary financial statements. Certain amounts have been recorded in the governmental fund financial statements as part of accrued payroll and payroll taxes, since such amounts came due (matured) during the fiscal year ended September 30, 2016.

### 9. Fund Balance

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the City governmental funds which include the General Fund, the Capital Projects Fund and Non Major governmental funds (Special Revenue and Debt Service Funds, for example). Amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance or resolution (which are equally binding) are classified as committed fund balances. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the City Council. Amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. The City has not established a policy regarding the assignment of funds so assignments are made by City management based on Council direction. Non-spendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form (inventory and prepaid items) or (b) legally or contractually required to be maintained intact. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. The general fund will be the only fund that reports a positive unassigned fund balance amount. In the other governmental funds, if expenditures exceed the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred in governmental funds which may be paid using either restricted or unrestricted resources, the City's policy is to pay the expenditure from the restricted fund balance and then from less-restrictive classifications – committed, assigned and then unassigned fund balances.

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

**Below are the fund balance classifications for the governmental funds at September 30, 2016:**

|                                       | General<br>Fund | Capital<br>Projects | Non Major<br>Governmental | Total<br>Governmental |
|---------------------------------------|-----------------|---------------------|---------------------------|-----------------------|
| Fund Balances                         |                 |                     |                           |                       |
| Nonspendable:                         |                 |                     |                           |                       |
| Prepaid items                         | \$ 46,798       | \$ -                | \$ 3,018                  | \$ 49,816             |
| Designated Loan Fund                  | -               | -                   | 1,500,000                 | 1,500,000             |
| Inventory                             | 329,996         | -                   | -                         | 329,996               |
|                                       | 376,794         | -                   | 1,503,018                 | 1,879,812             |
| Restricted:                           |                 |                     |                           |                       |
| Capital Projects                      | -               | 33,388,328          | -                         | 33,388,328            |
| TDD Revenue                           | -               | -                   | 250,780                   | 250,780               |
| HUD Grant                             | -               | -                   | 7,344,868                 | 7,344,868             |
| Debt Service                          | -               | -                   | 1,360,739                 | 1,360,739             |
| Mid Mo Solid Waste Service            | -               | -                   | 4,284                     | 4,284                 |
| Capital Improvement Sales Tax         | -               | -                   | 4,310,958                 | 4,310,958             |
| Transportation                        | -               | -                   | 5,247,115                 | 5,247,115             |
| Convention & Tourism                  | -               | -                   | 4,466,509                 | 4,466,509             |
| Parks Sales Tax                       | -               | -                   | 1,990,060                 | 1,990,060             |
| Development charge                    | -               | -                   | 7,547,130                 | 7,547,130             |
| Donations for Contribution Fund       | -               | -                   | 410,580                   | 410,580               |
|                                       | -               | 33,388,328          | 32,933,023                | 66,321,351            |
| Committed:                            |                 |                     |                           |                       |
| Policy Development and Administration | 734,302         | -                   | -                         | 734,302               |
| Public Safety                         | 493,082         | -                   | -                         | 493,082               |
| Health and Environment                | 1,407,111       | -                   | -                         | 1,407,111             |
| Personal Development                  | 116,358         | -                   | -                         | 116,358               |
| Transportation                        | 244,934         | -                   | -                         | 244,934               |
| Debt Service                          | -               | -                   | 2,001,084                 | 2,001,084             |
| Designated Loan Fund                  | -               | -                   | 7,438,759                 | 7,438,759             |
| Capital Projects                      | -               | 2,533,728           | -                         | 2,533,728             |
| Public Improvements                   | -               | -                   | 557,098                   | 557,098               |
|                                       | 2,995,787       | 2,533,728           | 9,996,941                 | 15,526,456            |
| Assigned                              |                 |                     |                           |                       |
| Policy Development and Administration | 53,448          | -                   | -                         | 53,448                |
| Public Safety                         | 364,316         | -                   | -                         | 364,316               |
| Transportation                        | 1,242,204       | -                   | -                         | 1,242,204             |
| Health and Environment                | 5,584           | -                   | -                         | 5,584                 |
| Personal Development                  | 127,963         | -                   | -                         | 127,963               |
| Appropriated Fund Balance             | 500,000         | -                   | 213,104                   | 713,104               |
|                                       | 2,293,515       | -                   | 213,104                   | 2,506,619             |
| Unassigned                            | 29,245,964      | -                   | (4,912)                   | 29,241,052            |
| <b>Total Fund Balance</b>             | \$ 34,912,060   | \$ 35,922,056       | \$ 44,641,174             | \$ 115,475,290        |

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

### 10. Minimum Fund Balance Policy

The City shall maintain a minimum unassigned fund balance equal to twenty percent (20%) of the General Fund budgeted expenditures for any given year. The reserves shall be used when approved by formal City Council action or under the following circumstances:

1. Large one-time cost but use of reserves would provide a long-term cost savings.
2. To mitigate service impacts during a significant economic downturn in the economy or a significant and unexpected loss of revenue.
3. Catastrophic event or natural disaster that threatens the safety of persons and property within the City.
4. City sustains unexpected liabilities created by Federal, State or other mandates out of its control.

If in any fiscal year the General Fund reserve balance is required to be used or is not achieved, the City Manager and Finance Director shall present to the City Council a strategy to meet the fund balance within two (2) fiscal years.

All other funds of the City shall maintain a minimum fund balance of ten percent (10%) of the fund's budgeted expenditures but shall work to achieve a twenty percent (20%) or greater fund balance reserve given the fund's specific operational needs.

### 11. Net Position

In the government-wide and proprietary fund financial statements, equity is displayed in three components as follows:

*Net Investment in Capital Assets* – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. Net investment in capital assets excludes unspent bond and loan proceeds. As of September 30, 2016, the City had unspent bond proceeds of \$48,265,730 in the Water and Electric Utility, \$15,751,410 in the Sanitary Sewer Utility, and \$1,692,594 in the Parking Fund.

*Restricted* – This consists of amounts that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. Governmental activities Net Position Restricted for Statutory Restrictions is \$31,952,096 which are restricted for capital projects, convention and tourism, transportation and health and environment. Business-type activities Net Position Restricted for Statutory Restrictions is \$2,507,115 which is for debt service.

*Unrestricted* – This consists of amounts that do not meet the definition of “restricted” or “net investment in capital assets.”

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

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

### 12. Deferred Outflows/ Inflows of Resources and Unearned Revenue

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City reports Deferred Outflows/Inflows of Resources as follows:

**Unavailable Revenues** - Unavailable revenue is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the City's government-wide statement of net position, only the property tax revenue remains as a deferred inflow of resources and will become an inflow in the year for which they are levied.

**Gain/Loss on Refunding** - In the government-wide and proprietary fund financial statements, deferred outflows/inflows of resources on refunding represent the difference between the reacquisition price of a refunded bond and its net carrying amount, which is amortized and recognized as a component of interest expense over the remaining life of the old refunded bonds or the new refunding bonds, whichever is shorter.

**Pension Related Items** - In relation to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, deferred outflows of resources for pension contributions of \$33,079,146 for LAGERS represents the deferral of the City's contributions subsequent to the measurement date of June 30, 2016 as well as the net difference between projected and actual earnings on pension plan investments and changes in assumptions. A deferred outflow of \$22,979,220 in the Police and Fire pension represents the unamortized portion of the net difference between projected and actual experience on plan assumptions and plan investments and change in assumptions.

The government-wide and the proprietary fund statements of net position report pension related deferred inflows, which consists of the unamortized portion of the difference between expected and actual experience on plan assumptions, and deficit investment returns.

**Unearned Revenue** - Unearned revenue arises when resources are received by the City before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met or when the government has a legal claim to the resources, revenue is recognized.

### 13. Future Accounting Pronouncements

This report does not incorporate GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, GASB Statement No. 77, *Tax Abatement Disclosures*, GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, GASB Statement No. 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14*, GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, GASB Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73* and GASB Statement No. 83, *Certain Asset Retirement Obligations*. The City will adopt and implement these statements at the required time. The City's management has not yet determined the effect the statements will have on the City's financial statements.

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

### 14. Bond Issuance Costs, Premiums/Discounts and Gain/Loss on Refunding

In the government-wide financial statements and the proprietary fund types in the fund financial statements, bond discounts and premiums are recorded as a reduction or addition to the debt obligation and bond issuance costs are expensed in the period in which they are incurred. Bond discounts and premiums are amortized using a method which approximates the effective interest method over the term of the related bonds. The gain or loss on refunding is amortized as a component of interest expense over the remaining life of the bonds using a method which approximates the effective interest method and gains and losses are reported as deferred inflows and outflows.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the period in which the debt is issued. The face amount of debt issued and any related premiums or discounts are reported as other financing sources/uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures during the year they are incurred.

### 15. Adoption of New Accounting Pronouncements

Effective October 1, 2015, the City adopted GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The adoption of this statement added additional disclosures to the financial statements.

Effective October 1, 2015, the City adopted GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68 for pension plans and pensions that are within their respective scopes. This statement had no impact on the City's financial statements.

Effective October 1, 2015, the City adopted GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The requirements in this Statement improve financial reporting by (1) raising the category of GASB Implementation Guides in the GAAP hierarchy, thus providing the opportunity for broader public input on implementation guidance; (2) emphasizing the importance of analogies to authoritative literature when the accounting treatment for an event is not specified in authoritative GAAP; and (3) requiring the consideration of consistency with the GASB Concepts Statements when evaluating accounting treatments specified in nonauthoritative literature. This statement had no impact on the City's financial statements.

Effective October 1, 2015, the City adopted GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. This Statement also establishes accounting and financial reporting standards for state and local governments that participate in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost. This statement had no impact on the City's financial statements.

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

### 16. Miscellaneous Revenue

Miscellaneous revenue includes sources such as auction revenue, photocopies, Housing Authority PILOT and other immaterial revenues.

### 17. Municipal Court Traffic Violations Fines and Costs

Missouri House Bill No. 103 amending RSMo Section 302.341.1 became effective on August 28, 2013. The amendments to the statute now require municipalities to report an accounting of the percent of "annual general operating revenue" from fines and court costs for traffic violations, including amended charges from any charged traffic violation, occurring within the city, town, village, or county and charged in the municipal court of that city, town, village, or county.

The State Auditor's office defines general operating revenue as: revenue that is not required by the enacting ordinance, law or Constitution to be used only for a designated purpose and can be used to pay any bill or obligation of a city, county, or other political subdivision. This includes, but is not limited to, general sales tax, general use tax, general property tax, and fees from certain licenses and permits, interest, fines and penalties. "General operating revenue" does not include, among other items, designated sales or use taxes, user fees, grant funds or other revenue designated by law, ordinance, or Constitution, for a specific purpose.

The City collected \$760,628 of fines and court costs for traffic violations which represents 1.12% of General Fund operating revenues of \$67,767,346 (does not include appropriation of prior year fund balance, user fees and service charges, operating transfers and grants) for the year ended September 30, 2016.

### 18. Pension

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

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

### II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

An element of that reconciliation states that “internal service funds are used by management to charge the costs of custodial maintenance, information technology, community relations, fleet operations, self insurance, GIS and employee benefits.” The assets and liabilities of the internal service funds are therefore included in governmental activities in the following line items in the statement of net position (excluding certain internal service fund assets and liabilities that are included with business-type activities):

|  |                            |
|--|----------------------------|
| Net Position – all Internal Service Funds                                      | \$21,799,238               |
| Net Position – Internal Service Fund Reported with<br>Business Type Activities | <u>(1,276,463)</u>         |
| Net Position - Governmental Activities   | <u><u>\$20,522,775</u></u> |

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

An element of that reconciliation states that “internal service funds are used by management to charge the costs of custodial maintenance, information technology, community relations, fleet operations, self insurance, GIS and employee benefits.” The portion of the net revenue (expense) of these internal service funds arising out of their transactions with governmental funds is reported with governmental activities, because they service those activities.

|  |                           |
|--|---------------------------|
| Change in Net Position – all Internal Service Funds  | \$1,549,515               |
| Change in Net Position of Internal Service Funds<br>Reported with Business-Type Activities   | <u>(169,875)</u>          |
| Net adjustment to increase net changes in fund<br>balances-total governmental funds to arrive at<br>changes in net position of governmental activities | <u><u>\$1,379,640</u></u> |



# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

### III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

#### A. Statement of Cash Flows

The City defines cash and cash equivalents used in the statement of cash flows as cash deposits, amounts included in the City's cash and investment pool and highly liquid investments with an original maturity of three months or less (both restricted and unrestricted) at the date of purchase.

#### B. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

### IV. EQUITY IN POOLED CASH AND INVESTMENTS, CASH, INVESTMENTS, AND OBLIGATIONS UNDER REVERSE REPURCHASE AGREEMENTS

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of the pool is displayed on the governmental funds' balance sheet and proprietary funds' statement of net position as "Cash and Cash Equivalents" and displayed in total on the government-wide statement of net position as "Cash and Investments." The investments of the pension and other post-employment benefit trust funds, certain debt service reserve accounts and cash with fiscal agents in the enterprise funds are held separately from those of other City funds.

#### A. Deposits

At year-end, the bank balances of the City's deposits were covered by federal depository insurance or by collateral held by the City's agent in the City's name. At September 30, 2016, the bank balances in the City's checking accounts were \$6,518,662.

#### B. Investments

Statutes, the City Charter, Policy Resolutions, and legal opinions authorize the City to invest in obligations of the U.S. Treasury, agencies, and instrumentalities; states, agencies and political subdivisions thereof; mutual funds containing authorized securities; certificates of deposit of banks and savings and loans in Missouri; and repurchase agreements. U.S. government agency securities consist of investments in FNMA, FHLMC, FFCB, FHLB and Government National Mortgage Association mortgage-backed securities. Mortgage-backed securities do not have a contractual maturity date and the City is subject to the risk of prepayment on these securities when changes in market interest rates occur. The City is also authorized to enter into reverse repurchase agreements.

The assets of the Police and Firefighters' Retirement Funds may be invested, reinvested and managed by an investment fiduciary who shall "act with the same care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a similar capacity and familiar with those matters would use in the conduct of a similar enterprise with similar aims." Authorized investment securities include those listed above as well as common stock, preferred stock, real estate mortgages, corporate debt securities including bonds and prime commercial paper, prime banker's acceptances and taxable municipal debt instruments.

Money market mutual funds held by fiscal agents are classified as cash and cash equivalents on the balance sheet but as investments for custodial risk disclosure.

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

### Fair Value of Investments

The City measures and records its investments, other than money market accounts, using fair value measurement guidelines established by generally accepted accounting principles. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* quoted prices (unadjusted) in active markets/exchanges for identical assets or liabilities;
- *Level 2:* quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are observable,
- *Level 3:* unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available.

The City of Columbia and the Police and Fire pension invest in fixed income investments seeking to achieve positive returns utilizing experienced portfolio managers. These investments are valued at least monthly with pricing available daily. Investments are available in 1-3 days.

For the City and Police and Fire pension, the following fair value techniques were utilized in measuring the fair value of its investments:

**U.S. Treasury securities, corporate equities, and mutual funds:** These investments are reported at fair value based on quoted market prices obtained from exchanges and market maker trade pricing.

**Corporate obligations, fixed income securities and other fixed income:** These investments are reported at fair value based on evaluation using market sources and integrating relative credit information, observed market movements, and sector news into the evaluated pricing applications and models.

**U.S. Government securities:** U.S. Government securities are reported at fair value based on bullet (non-call) spread scale for each issuer for maturities going out to forty years. These spreads represent credit risk and are obtained from the new issue market, secondary trading, and dealer quotes.

**Mortgage-backed securities:** Mortgage-backed securities are reported at fair value via models using various inputs such as but not limited to daily cash flow, snapshots of the TBA market and the U.S. Treasury market.

**Municipal bonds:** Municipal bonds are reported at fair value based on trades, bid price or spread, two-sided markets, quotes, benchmark curves including but not limited to treasury benchmarks and LIBOR and swap curves, market data feeds such as MSRB, financial statements, discount rate, capital rates, and trustee reports.

**Corporate bonds:** Most corporate bond evaluations found on customer statements are obtained by UBS from Interactive Data Pricing and Reference Data. Interactive Data's evaluators gather information from several market sources and integrate relative credit information, observed market movements, and sector news into the evaluated pricing applications and models.

**Exchange traded funds:** ETFs are exchange traded funds, quoted on the ASX. The units of an ETF trade like listed shares.

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

At September 30, 2016, the City had the following recurring fair value measurements:

|   | <b>Totals<br/>as of 9/30/16</b> | <b>Fair Value Measurement Using</b>   |  |  |
|---|---------------------------------|---|--|--|
|   |                                 | <b>Quoted Prices<br/>in Active<br/>Markets for<br/>Identical<br/>Assets</b> | <b>Significant Other<br/>Observable<br/>Inputs</b> | <b>Significant<br/>Unobservable<br/>Inputs</b> |
| Investments Measured at<br>Fair Value:  | <b>Level One</b>                | <b>Level Two</b>  | <b>Level Three</b>                                 |  |
| Guaranteed U.S. Agencies                | \$ 33,625,415                   | \$ -  | \$ 33,625,415                                      | \$ -   |
| U.S. Treasuries                         | 9,199,052                       | 9,199,052   | -  | -  |
| U.S. Agencies                           | 190,516,422                     | -   | 190,516,422  | -  |
| Corporate Bonds Inv Grade               | 18,882,841                      | -   | 18,882,841   | -  |
| Corporate Bonds High Yield              | 3,919,505                       | -   | 3,919,505  | -  |
| International Bonds                     | 85,480                          | -   | 85,480   | -  |
| Mutual Funds                            | 7,112,500                       | 7,112,500   | -  | -  |
| Common Stock                            | 67,095,154                      | 67,095,154  | -  | -  |
| Guar. Invest. Contracts                 | 332,770                         | 332,770   | -  | -  |
|   | <u>330,769,139</u>              | <u>83,739,476</u>   | <u>247,029,663</u>                                 | <u>-</u>                                       |
| Investments measured at amortized cost: |                                 |   |  |  |
| Money Market Accounts                   | 91,865,959                      |   |  |  |
|   | <u>\$ 422,635,098</u>           |   |  |  |

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

### Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be adversely affected by a change in interest rates. The City does not have a formal interest rate risk policy.

As of September 30, 2016, the City had the following investments and maturities:

| Investment Type          | Fair Value            | Less Than 1         | Investment Maturities (in years) |                      |                       |
|--------------------------|-----------------------|---------------------|----------------------------------|----------------------|-----------------------|
|                          |                       |                     | 1-5                              | 6-10                 | More Than 10          |
| Guaranteed U.S. Agencies | \$ 33,625,415         | \$ -                | \$ -                             | \$ 462,479           | \$ 33,162,936         |
| U.S. Treasuries          | 9,199,052             | 1,300,767           | 5,943,900                        | 681,384              | 1,273,001             |
| U.S. Agencies            | 190,516,422           | 8,300               | 13,433,213                       | 20,853,843           | 156,221,066           |
| Corporate Bonds          | 22,802,346            | 2,005,366           | 14,292,410                       | 4,242,944            | 2,261,626             |
| International Bonds      | 85,480                | -                   | -                                | 85,480               | -                     |
| <b>Total</b>             | <b>\$ 256,228,715</b> | <b>\$ 3,314,433</b> | <b>\$ 33,669,523</b>             | <b>\$ 26,326,130</b> | <b>\$ 192,918,629</b> |

### Credit Risk & Concentration of Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit risk is measured using credit quality ratings of investments in debt securities as described by nationally recognized rating agencies such as Standard & Poor's and Moody's. Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer.

The City does not have a specific credit risk policy and there is no limit on the amount that may be invested in one issuer. The City's investments are to be purchased using the "Prudent Person" standard. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Of the City's total investments, 22.32% are issues of the Federal Home Loan Mortgage Corporation (FreddieMac), 18.73% are issues of the Federal National Mortgage Association (FannieMae) and 7.95% are issues of the Government National Mortgage Association (Ginnie Mae).

### Custodial Credit Risk

In the event of a failure of a financial institution or counterparty, custodial credit risk is the risk that the City would not be able to recover its deposits, investments or collateral securities in the possession of an outside party. The City's investment policy requires assets held by a custodian as determined by the board of trustees be held in the name of the City of Columbia. In addition, the City addresses custodial credit risk by diversifying its investment portfolio and requiring all assets to be invested with the care, skill and diligence that a prudent person familiar with such matters acting in a like capacity would use in a similar enterprise.

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

The following table lists the credit ratings per Fitch, Moody's and/or Standard and Poor's of the City's investments as of September 30, 2016:

| Investment Type           | Fair Value            | Quality Ratings       |                   |                     |                   |
|---------------------------|-----------------------|-----------------------|-------------------|---------------------|-------------------|
|                           |                       | AAA                   | Aa2               | AA+                 | AA                |
| Guaranteed U.S. Agencies* | \$ 33,625,415         | \$                    | \$                | \$                  | \$                |
| U.S. Treasuries*          | 9,199,052             | 7,738,222             |                   |                     |                   |
| U.S. Agencies             | 190,516,422           | 178,778,338           |                   | 3,291,695           | 75,548            |
| Corporate Bonds           | 22,802,346            | 165,997               | 640,944           | 102,276             | 43,110            |
| International Bonds       | 85,480                |                       |                   |                     |                   |
| <b>Total</b>              | <b>\$ 256,228,715</b> | <b>\$ 186,682,557</b> | <b>\$ 640,944</b> | <b>\$ 3,393,971</b> | <b>\$ 118,658</b> |

continued below

| Investment Type           | Quality Ratings   |                     |                     |                     |                     |
|---------------------------|-------------------|---------------------|---------------------|---------------------|---------------------|
|                           | AA-               | A+                  | A                   | A-                  | A1                  |
| Guaranteed U.S. Agencies* | \$                | \$                  | \$                  | \$                  | \$                  |
| U.S. Treasuries*          |                   |                     |                     |                     |                     |
| U.S. Agencies             | 282,702           | 240,334             | 532,549             | 213,829             |                     |
| Corporate Bonds           | 151,665           | 2,219,598           | 450,186             | 1,385,140           | 1,347,057           |
| International Bonds       |                   |                     |                     |                     |                     |
| <b>Total</b>              | <b>\$ 434,367</b> | <b>\$ 2,459,932</b> | <b>\$ 5,034,414</b> | <b>\$ 1,598,969</b> | <b>\$ 1,347,057</b> |

continued below

| Investment Type           | Quality Ratings   |                     |                     |                     |                   |
|---------------------------|-------------------|---------------------|---------------------|---------------------|-------------------|
|                           | A3                | BBB+                | BBB                 | BBB-                | BB+               |
| Guaranteed U.S. Agencies* | \$                | \$                  | \$                  | \$                  | \$                |
| U.S. Treasuries*          |                   |                     |                     |                     |                   |
| U.S. Agencies             |                   | 213,725             | 1,464,635           | 169,125             |                   |
| Corporate Bonds           | 749,973           | 1,935,253           | 3,193,278           | 1,830,016           | 266,178           |
| International Bonds       |                   | 85,480              |                     |                     |                   |
| <b>Total</b>              | <b>\$ 749,973</b> | <b>\$ 2,234,458</b> | <b>\$ 4,657,913</b> | <b>\$ 1,999,141</b> | <b>\$ 266,178</b> |

continued next page

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

| Investment Type              | Quality Ratings |            |           |            |           |
|------------------------------|-----------------|------------|-----------|------------|-----------|
|                              | BB              | BB-        | B+        | B1         | B         |
| Guaranteed U.S. Agencies* \$ | \$              | \$         | \$        | \$         | \$        |
| U.S. Treasuries*             |                 |            |           |            |           |
| U.S. Agencies                |                 |            |           |            |           |
| Corporate Bonds              | 373,071         | 513,448    | 95,850    | 242,925    | 24,483    |
| International Bonds          |                 |            |           |            |           |
| Total                        | \$ 373,071      | \$ 513,448 | \$ 95,850 | \$ 242,925 | \$ 24,483 |

continued below

| Investment Type              | Quality Ratings |            |              |           |            |
|------------------------------|-----------------|------------|--------------|-----------|------------|
|                              | Ba1             | Ba2        | Ba3          | Baa1      | Baa3       |
| Guaranteed U.S. Agencies* \$ | \$              | \$         | \$           | \$        | \$         |
| U.S. Treasuries*             |                 |            |              |           |            |
| U.S. Agencies                |                 |            |              | 51,174    | 262,818    |
| Corporate Bonds              | 1,001,658       | 654,528    | 1,183,965    |           | 114,068    |
| International Bonds          |                 |            |              |           |            |
| Total                        | \$ 1,001,658    | \$ 654,528 | \$ 1,183,965 | \$ 51,174 | \$ 376,886 |

continued below

| Investment Type              | Quality Ratings |                            |
|------------------------------|-----------------|----------------------------|
|                              | D               | Unrated/<br>Not applicable |
| Guaranteed U.S. Agencies* \$ |                 | 33,625,415                 |
| U.S. Treasuries*             |                 | 1,460,830                  |
| U.S. Agencies                | 28,526          | 4,911,424                  |
| Corporate Bonds              |                 | 66,000                     |
| International Bonds          |                 |                            |
| Total                        | \$ 28,526       | \$ 40,063,669              |

\* U.S. Treasury securities and certain U.S. Agency securities are explicitly guaranteed by the U.S. government and therefore, are not subject to credit risk disclosures.

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

A reconciliation of cash and cash equivalents as shown on the government-wide statement of net position is as follows:

|                                | <b>Balance<br/>September 30,<br/>2016</b> |
|--------------------------------|---|
| Investments                    | \$ 419,900,499                            |
| Investments with fiscal agents | 2,734,599                                 |
| Cash with fiscal agents        | 12,549,277                                |
| Cash on hand                   | 36,821                                    |
| Imprest accounts               | 4,490,535                                 |
| Total                          | \$ 439,711,731                            |

|  | <b>Government-<br/>Wide Statement<br/>of Net Position</b> | <b>Fiduciary Funds<br/>Statement of<br/>Net Position</b> | <b>Total</b>   |
|--|---|--|----------------|
| Cash and investments                       | \$ 197,984,466  | \$ 6,392,513   | \$ 204,376,979 |
| Investments                                | —   | 124,139,374  | 124,139,374    |
| Restricted assets:                         |   |  |                |
| Cash and investments                       | 11,663,141  | —  | 11,663,141     |
| Bond covenant account cash and investments | 90,982,611  | —  | 90,982,611     |
| Closure and postclosure reserve            | 2,690,137   | —  | 2,690,137      |
| Customer security and escrow deposits      | 5,859,489   | —  | 5,859,489      |
| Total                                      | \$ 309,179,844  | \$ 130,531,887   | \$ 439,711,731 |

The City generally intends to buy and hold the securities in its portfolios, and to sell only when a gain is present or when a swap that offers substantial economic gains is available. The City maintains a minimum of 5% of the pooled investment portfolio in cash and cash equivalents to reduce the likelihood of selling a security to meet cash requirements. During the next fiscal year, the City does not intend to sell any securities at a loss in order to meet cash requirements.

The City's investment policies require that securities underlying repurchase agreements must have a fair value of at least 100% of the cost of the repurchase agreement.

### C. Reverse Repurchase Agreements

The City is permitted to enter into reverse repurchase agreements; that is, a sale of securities with a simultaneous agreement to repurchase them in the future at the same price plus a contracted rate of interest. The fair value of the securities underlying reverse repurchase agreements normally exceeds the cash received, providing the dealers a margin against a decline in fair value of the securities. If the dealers default on their obligations to resell these securities to the City or provide securities or cash of equal value, the City would suffer an economic loss equal to the difference between the fair value plus accrued interest of the underlying securities and the agreement obligation, including accrued interest. There were no defaults during the year, and there were no reverse repurchase agreements outstanding at year-end.

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

### V. RECEIVABLES AND PAYABLES

Balances at September 30, 2016 were as follows:

|                                  | Accounts<br>Receivable | Accrued<br>Interest | Grants<br>Receivable/<br>Rehabilitation<br>Loan | Taxes                | Total<br>Receivables | Allowance<br>for Doubtful<br>Accounts | Receivables,<br>Net  |
|----------------------------------|------------------------|---------------------|---|----------------------|----------------------|---------------------------------------|----------------------|
| Governmental activities:         |                        |                     |   |                      |                      |                                       |                      |
| General                          | \$ 331,382             | \$ 55,876           | \$ 149,711                                      | \$ 12,378,760        | \$ 12,915,729        | \$ (73,026)                           | \$ 12,842,703        |
| Capital Projects                 | 2,393,900              | 56,564              | 1,985,289                                       | -                    | 4,435,753            | (7,317)                               | 4,428,436            |
| Non-major Governmental<br>Funds  | 99,033                 | 200,730             | 8,224,231                                       | 4,487,815            | 13,011,809           | (529,743)                             | 12,482,066           |
| Internal Service Funds           | 545,264                | 35,995              | 13,260  | -                    | 594,519              | (35,690)                              | 558,829              |
| Total - governmental activities  | <u>\$ 3,369,579</u>    | <u>\$ 349,165</u>   | <u>\$ 10,372,491</u>                            | <u>\$ 16,866,575</u> | <u>\$ 30,957,810</u> | <u>\$ (645,776)</u>                   | <u>\$ 30,312,034</u> |
| Business-type activities:        |                        |                     |   |                      |                      |                                       |                      |
| Water and Electric Utility       | \$ 28,238,265          | \$ 172,060          | \$ -  | \$ -                 | \$ 28,410,325        | \$ (3,895,950)                        | \$ 24,514,375        |
| Sanitary Sewer Utility           | 2,449,747              | 69,930              | -   | -                    | 2,519,677            | (659,137)                             | 1,860,540            |
| Non-major Enterprise<br>Funds    | 4,119,616              | 80,293              | 2,320,896                                       | -                    | 6,520,805            | (975,293)                             | 5,545,512            |
| Internal Service Funds           | 1,260,589              | 2,071               | -   | -                    | 1,262,660            | (1,314,433)                           | (51,773)             |
| Total - business type activities | <u>\$ 36,068,217</u>   | <u>\$ 324,354</u>   | <u>\$ 2,320,896</u>                             | <u>\$ -</u>          | <u>\$ 38,713,467</u> | <u>\$ (6,844,813)</u>                 | <u>\$ 31,868,654</u> |

Accounts payable consist of amounts due to vendors and are expected to be paid within one year.



# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

### VI. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2016 was as follows:

|  | <b>Balance<br/>October 1,<br/>2015</b> | <b>Additions</b> | <b>Deductions</b> | <b>Balance<br/>September 30,<br/>2016</b> |
|--|--|------------------|-------------------|---|
| <b>Governmental activities:</b>              |  |                  |                   |   |
| Capital assets, not being depreciated:       |  |                  |                   |   |
| Land   | \$ 46,747,583                          | \$ 1,179,470     | \$ (15,000)       | \$ 47,912,053                             |
| Construction in process                      | 14,918,391                             | 20,990,372       | (10,107,409)      | 25,801,354                                |
| Total capital assets, not being depreciated  | 61,665,974                             | 22,169,842       | (10,122,409)      | 73,713,407                                |
| Capital assets, being depreciated:           |  |                  |                   |   |
| Buildings                                    | 73,995,759                             | 351,228          | —                 | 74,346,987                                |
| Improvements other than buildings            | 36,679,633                             | 3,781,337        | —                 | 40,460,970                                |
| Furniture, fixtures and equipment            | 46,095,182                             | 2,770,441        | (1,376,313)       | 47,489,310                                |
| Infrastructure                               | 293,973,583                            | 4,095,278        | —                 | 298,068,861                               |
| Total capital assets being depreciated       | 450,744,157                            | 10,998,284       | (1,376,313)       | 460,366,128                               |
| Less accumulated depreciation for:           |  |                  |                   |   |
| Buildings                                    | (19,449,479)                           | (1,737,359)      | —                 | (21,186,838)                              |
| Improvements other than buildings            | (7,509,230)                            | (915,328)        | —                 | (8,424,558)                               |
| Furniture, fixtures and equipment            | (29,443,351)                           | (2,675,811)      | 1,043,424         | (31,075,738)                              |
| Infrastructure                               | (59,738,733)                           | (5,896,110)      | —                 | (65,634,843)                              |
| Total accumulated depreciation               | (116,140,793)                          | (11,224,608)     | 1,043,424         | (126,321,977)                             |
| Total capital assets, being depreciated, net | 334,603,364                            | (226,324)        | (332,889)         | 334,044,151                               |
| Governmental activities capital assets, net  | \$ 396,269,338                         | \$ 21,943,518    | \$ (10,455,298)   | \$ 407,757,558                            |

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

|  | <b>Balance<br/>October 1,<br/>2015</b> | <b>Additions</b> | <b>Deductions</b> | <b>Balance<br/>September 30,<br/>2016</b> |
|--|--|------------------|-------------------|---|
| <b>Business-type activities:</b>             |  |                  |                   |   |
| Capital assets, not being depreciated:       |  |                  |                   |   |
| Land and land rights                         | \$ 21,487,681                          | \$ 559,677       | \$ —              | \$ 22,047,358                             |
| Construction in progress                     | 28,132,732                             | 31,091,153       | (43,637,502)      | 15,586,383                                |
| Total capital assets not being depreciated   | 49,620,413                             | 31,650,830       | (43,637,502)      | 37,633,741                                |
| Capital assets, being depreciated:           |  |                  |                   |   |
| Structures and improvements                  | 460,701,812                            | 23,006,920       | —                 | 483,708,732                               |
| Furniture, fixtures and equipment            | 473,112,018                            | 31,930,801       | (4,279,620)       | 500,763,199                               |
| Total capital assets being depreciated       | 933,813,830                            | 54,937,721       | (4,279,620)       | 984,471,931                               |
| Less accumulated depreciation for:           |  |                  |                   |   |
| Structures and improvements                  | (139,747,303)                          | (9,947,252)      | —                 | (149,694,555)                             |
| Furniture, fixtures and equipment            | (224,326,223)                          | (16,753,055)     | 2,541,939         | (238,537,339)                             |
| Total accumulated depreciation               | (364,073,526)                          | (26,700,307)     | 2,541,939         | (388,231,894)                             |
| Total capital assets being depreciated, net  | 569,740,304                            | 28,237,414       | (1,737,681)       | 596,240,037                               |
| Business-type activities capital assets, net | \$ 619,360,717                         | \$ 59,888,244    | \$ (45,375,183)   | \$ 633,873,778                            |

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

|   |               |
|---|---------------|
| <b>Business-type activities:</b>                      |               |
| Water and Electric                                    | \$ 15,069,433 |
| Sanitary Sewer  | 5,129,778     |
| Non-major enterprise funds                            | 6,501,096     |
| Total depreciation expense - business-type activities | 26,700,307    |

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

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

**Governmental activities:**

|   |    |                          |
|---|----|--------------------------|
| Policy Development and administration   | \$ | 1,345,430                |
| Public Safety   |    | 1,655,148                |
| Transportation  |    | 6,602,400                |
| Health and Environment  |    | 69,659                   |
| Personal Development  |    | 1,143,608                |
| Capital assets held by the government's internal<br>service funds are charged to the various<br>functions based on their usage of the asset |    | <u>408,363</u>           |
|   | \$ | <u><u>11,224,608</u></u> |

## VII. COMMITMENTS

### A. Construction Commitments

At September 30, 2016, construction contract commitments of the City were:

|                          | <u>Amounts</u>             |
|--------------------------|----------------------------|
| Major Governmental Fund: |                            |
| Capital Projects Fund    | <u>\$ 1,780,329</u>        |
| Enterprise Funds:        |                            |
| Major Funds:             |                            |
| Sanitary Sewer Utility   | 1,737,703                  |
| Nonmajor Funds           | <u>2,997,690</u>           |
| Total Enterprise Funds   | <u>4,735,393</u>           |
| Total                    | <u><u>\$ 6,515,722</u></u> |

Construction contract commitments of the City will be paid from capital improvement sales tax, parks sales tax, federal and state grant revenues, county road tax, development fees, bond proceeds, enterprise revenues, and general revenues of the City.

### B. Obligations to Purchase Electric Power

The Water and Electric Utility has an agreement with the Board of Municipal Utilities, Sikeston, Missouri, to purchase electric power effective through May 31, 2021. The City agreed to purchase 55 Megawatts at 110% of its proportionate share of monthly power costs (including debt service costs related to the revenue bond issue) as defined in the agreement. The City also contracted to purchase an additional 11 Megawatts from Sikeston

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

commencing on June 1, 1992. The 11 Megawatts was purchased at \$4.50 per kilowatt per month until May 31, 2002. On June 1, 2002, the capacity charge for the 11 Megawatts changed to 100% of the fixed costs and the energy charge changed to 110% of the energy costs.

The City has a wind generation purchase and transmission service agreement with Associated Electric Coop., Inc. effective through June 2027. The City has been allocated 11.1% of the net energy and green tags produced by the Bluegrass Ridge Wind Farm. The City pays an energy charge of \$55 per MWH during the term of this agreement, and receives transmission service from Associated Electric. The current transmission charge is \$10,844.06 per month.

The City has an agreement with Ameresco Jefferson City LLC to purchase power from a 3.17 megawatt generator from a landfill gas plant located in Jefferson City, Missouri. The City has agreed to purchase the electric output of the plant over a twenty year period starting in March 2009 at a fixed cost of \$52.50 per megawatt hour.

The City has agreed to purchase solar power from Free Power Company, Inc. Free Power has provided solar equipment which is installed at sites owned by the City. Power production started in December 2011. In 2013, the City paid \$54.95 per MWH with the price per MWH increasing by 1.75% in January 2014 and every year thereafter.

The City of Columbia is a member of the Missouri Joint Municipal Electric Utility Commission (MJMEUC). MJMEUC is a state wide agency that is authorized by state law to operate as an electric utility for the benefit of its members. The City has two agreements with MJMEUC for the purchase of power, the Prairie State Energy Campus from Peabody Energy, and the Iatan 2 project from Kansas City Power & Light Company. The agreements establish advisory committees that consist of representatives of the participating unit power purchasers. All decisions of the MJMEUC Board of Directors regarding Prairie State, or Iatan 2 will give consideration to the recommendations of their respective member committee, but final decision on any matter effecting either agreement shall be made by the MJMEUC Board of Directors.

In June 2007, the MJMEUC Board of Directors gave final approval for the participation in the construction, operation, and financing of the Prairie State Energy Campus. MJMEUC's interests are approximately 195 MW, and the City expects to receive approximately 26%, or about 50 MW from the units. The City's agreement with MJMEUC does not create any ownership rights on the part of the City to the Prairie State units. MJMEUC has capitalized its total costs incurred in connection with the development and construction of the Prairie State units and intends recover those costs through monthly capacity charges. Unit one of Prairie State was placed in service in June 2012 and unit two was placed in service in November 2012. The City started paying capacity charges on unit one in February 2012. The City agreed to make payments to MJMEUC for costs associated with Prairie State that were not capitalized, or rolled into the financing of the project based on the City's purchase percentage.

In 2009, the MJMEUC board gave final approval for an agreement with Kansas City Power & Light Company for a unit power interest in Iatan 2; a coal fired generating station near Weston, Missouri. MJMEUC will receive 100MW from the new unit. Of MJMEUC's 100 MW ownership, Columbia has agreed to buy 20 MW. The City's agreement with MJMEUC does not create ownership rights on the part of the City to the Iatan 2 Unit. MJMEUC has capitalized its costs in connection with the development and construction of the Iatan 2 unit and intends to recover those costs through a monthly capacity charge now that the Iatan 2 unit has begun commercial operation. Iatan 2 started production in January 2011. The City agreed to make payments to MJMEUC for its purchase percentage of costs associated with Iatan 2 that could not be capitalized.

The City has an agreement with Crystal Lake Wind III, LLC to purchase 21 megawatts of wind energy from Iowa. This is a 20 year contract with energy cost starting at \$42.50 per megawatt hour in 2012, increasing to \$43.50 in 2013, and \$44.50 in 2014. In 2015 the price increases to \$45.00 per megawatt hour, and remains at that rate until the end of the contract term.

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

### C. Pollution Remediation Obligations

The Missouri Department of Natural Resources issued the City a "Letter of Warning" on March 19, 2009. The letter notified the City that the Water Treatment Plant site was in non-compliance with Clean Water Laws and Operating Permit #MO-G640087 and "caused pollution of an unnamed tributary to Perche Creek, waters of the state or placed or caused or permitted to be placed water contaminants in a location where it is reasonably certain to cause pollution of waters of the state." The contaminant is lime softening sludge which was improperly disposed of by stockpiling it on-site.

Due to the non-compliance with this permit, the City was required to: prepare a site specific sludge management plan for the water treatment plant site; to install storm water Best Management Practices (BMP) to prevent a discharge of contaminated storm water from the site; and, apply for a site specific storm water discharge permit for this site.

The City applied for a beneficial use exemption for the stockpiled sludge at the water treatment plant to allow the stockpiled sludge to remain in place. The request has been approved by the Missouri Department of Natural Resources, with conditions. The City is required to prepare plans and install a clay cap to contain the stockpiled sludge.

It is estimated that the cost of the work will range from \$501,500 to \$936,000 with the primary variant being the availability of materials near the plant. The estimated cost to the City is \$783,925, calculated as follows:

|   |                  |
|---|------------------|
| 65% probability that the actual costs will be \$936,000 (65% * \$936,000) = | \$608,400        |
| 35% probability that the actual costs will be \$501,500 (35% * \$501,500) = | <u>\$175,525</u> |
| Total estimated liability   | <u>\$783,925</u> |

The City does not expect to recover the remediation outlays from insurance, or any other parties. The total estimated liability is recorded in the Water and Electric utility fund in Accounts Payable.

### D. Encumbrances

Purchase orders are issued throughout the fiscal year to encumber budgets in the governmental funds. Outstanding encumbrances as of September 30, 2016 are as follows:

|                       |                            |
|-----------------------|----------------------------|
| Major Funds:          |                            |
| General Fund          | \$ 2,558,382               |
| Capital Projects Fund | <u>4,491,321</u>           |
| Total Major Funds     | 7,049,703                  |
| Total Nonmajor Funds  | <u>160,176</u>             |
| Total encumbrances    | <u><u>\$ 7,209,879</u></u> |

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

### VIII. INTERFUND ACTIVITY

Interfund receivable and payable balances and advances at September 30, 2016 are as follows:

|   | <b>Interfund<br/>receivables<br/>and advances</b> | <b>Interfund<br/>payables<br/>and advances</b> |
|---|---|--|
| Major Governmental Funds:                         |   |  |
| General Fund                                      | \$ 4,465,736                                      | \$ —   |
| Capital Projects Fund                             | —   | 329,000  |
| Nonmajor governmental funds-Permanent Fund        | 3,777,485   | —  |
| Nonmajor governmental funds-Special Revenue Funds | —   | 236,950  |
| Fiduciary Fund, Police and Fire Pension           | —   | 1,735,990                                      |
| Enterprise Funds:                                 |   |  |
| Major Funds:                                      |   |  |
| Water and Electric Utility                        | 2,707,139   | 2,030,196                                      |
| Nonmajor enterprise                               | —   | 6,618,224                                      |
| Total   | \$ 10,950,360                                     | \$ 10,950,360                                  |

Advances at September 30, 2016 include \$811,519 in the Non-Major Enterprise Parking Utility Fund, \$2,539,275 in the Non-Major Enterprise Solid Waste Utility Fund and \$97,691 in the Non-Major Enterprise Recreation Services Fund that are classified as Noncurrent Liabilities because the funds advanced from the Permanent Fund-Designated Loan Fund were restricted for use on capital projects. The \$2,539,275 advance to the Solid Waste Utility was for land purchased on Route B and an advance for the construction of a Solid Waste Facility. The \$811,519 to the Parking Utility was for construction of the Short Street garage and the \$97,691 to Recreation Services was for construction of improvements to the H.J. Waters and C.B. Moss Memorial Wildlife Area. These advances generally are not scheduled to be repaid in the next fiscal year. Management considers these collectible.

Advances of \$329,000 from the Permanent Fund-Designated Loan Fund to the Capital Projects Fund are for special assessment tax bills. These will be repaid when the associated capital projects are completed and the special assessment taxes are levied.

Payment in lieu of taxes of \$2,030,196 is reported as a receivable in the General Fund and a payable in the Water and Electric Utility Fund.

Payables from the Non-Major Special Revenue Non-Motorized Grant Fund of \$65,745, and \$85,139 from Community Development Grant Fund are due to the General Fund for fund overdrafts of cash and cash equivalents on September 30, 2016.

Loans with a balance of \$500,749 from the Water and Electric Utility to the Railroad Fund relate to construction work and the purchase of a locomotive. The current portion of this loan is \$73,529, payable within the next fiscal year.

A loan with a balance of \$2,206,390 from the Water and Electric Utility to the Transload Fund was transferred from the Railroad Fund and was originally used for the purchase of the intermodal facility. The current portion of this loan is \$79,676, payable within the next fiscal year.

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

Interfund transfers consisted of the following amounts:

|                           | Transfer From       |                     |                       |                            |                        |                      |                   | Total                |
|---------------------------|---------------------|---------------------|-----------------------|----------------------------|------------------------|----------------------|-------------------|----------------------|
|                           | General Fund        | Capital Projects    | Nonmajor Governmental | Water and Electric Utility | Sanitary Sewer Utility | Non-Major Enterprise | Internal Service  |                      |
| Major Governmental Funds: |                     |                     |                       |                            |                        |                      |                   |                      |
| General Fund              | \$ -                | \$ 757,459          | \$ 8,279,681          | \$ 15,758,151              | \$ 42,597              | \$ 132,617           | \$ 16,994         | \$ 24,987,499        |
| Capital Projects Fund     | 1,938               | -                   | 10,141,450            | 104,880                    | 25,984                 | 119,136              | 100,000           | 10,493,388           |
| Nonmajor Governmental     | 1,118,284           | 706,863             | 8,521,970             | 462,324                    | 116,555                | 122,645              | 517,282           | 11,565,923           |
| Major Enterprise Fund:    |                     |                     |                       |                            |                        |                      |                   |                      |
| Water and Electric        | -                   | -                   | -                     | -                          | -                      | -                    | -                 | -                    |
| Sewer Fund                | -                   | -                   | -                     | -                          | -                      | 117,923              | -                 | 117,923              |
| Nonmajor Enterprise       | 1,161,910           | 47,000              | 7,430,802             | 358,650                    | -                      | 270,273              | -                 | 9,268,635            |
| Internal Service          | -                   | -                   | -                     | 50,000                     | -                      | -                    | -                 | 50,000               |
| Total                     | <u>\$ 2,282,132</u> | <u>\$ 1,511,322</u> | <u>\$ 34,373,903</u>  | <u>\$ 16,734,005</u>       | <u>\$ 185,136</u>      | <u>\$ 762,594</u>    | <u>\$ 634,276</u> | <u>\$ 56,483,368</u> |

Transfers are used to (1) move revenues from the fund that budgets or ordinance requires to collect them to the fund that budgets or ordinance requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Included in the transfers schedule is a transfer from the Water and Electric Utilities Fund to the General Fund of \$15,746,363. The transfer represents PILOT payments.

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

### IX. LONG-TERM LIABILITIES

#### A. Changes in Long-term Liabilities

Changes in long-term liabilities during the year ended September 30, 2016 were as follows:

|   | <u>Balance<br/>October 1,<br/>2015</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance<br/>September 30,<br/>2016</u> | <u>Current<br/>Portion</u> |
|---|--|------------------|-------------------|---|----------------------------|
| <b>Governmental Activities:</b>                                 |  |                  |                   |   |                            |
| Special Obligation Notes:                                       |  |                  |                   |   |                            |
| Robert M LeMone Trust Notes                                     | \$ 7,009,780                           | —                | (1,203,360)       | 5,806,420                                 | 1,277,522                  |
| Total Special Obligation Notes                                  | 7,009,780                              | —                | (1,203,360)       | 5,806,420                                 | 1,277,522                  |
| Special Obligation Bonds:                                       |  |                  |                   |   |                            |
| 2006B S.O. Capital Improvement                                  | 3,095,000                              | —                | (3,095,000)       | —   | —                          |
| 2008B S.O. Improvement  | 21,030,000                             | —                | (21,030,000)      | —   | —                          |
| 2016B SO Bond   | —                                      | 17,580,000       | —                 | 17,580,000                                | 1,215,000                  |
| Premiums (Discounts)  | 166,421                                | 1,699,838        | (196,884)         | 1,669,375                                 | —                          |
| Total Special Obligation Bonds                                  | 24,291,421                             | 19,279,838       | (24,321,884)      | 19,249,375                                | 1,215,000                  |
| Accrued Compensated Absences                                    | 3,619,365                              | 3,494,489        | (2,840,218)       | 4,273,636                                 | 2,774,595                  |
| MTFC Loan   | 5,594,844                              | —                | (771,113)         | 4,823,731                                 | 802,250                    |
| Capital Lease   | 34,133                                 | —                | (24,001)          | 10,132                                    | 10,132                     |
| Net pension liability - Police and Fire                         | 90,660,800                             | 40,932,827       | (17,720,438)      | 113,873,189                               | —                          |
| Net pension liability -Lagers*                                  | (4,809,498)                            | 11,571,468       | (2,370,950)       | 4,391,020                                 | —                          |
| Claims Payable - Workers' Compensation<br>and General Liability | 6,323,373                              | 2,394,233        | (2,215,730)       | 6,501,876                                 | 2,279,489                  |
| Claims Payable - Health Insurance                               | 1,130,900                              | 10,196,593       | (10,251,783)      | 1,075,710                                 | 1,075,710                  |
| Total Governmental Activities                                   | \$ 138,664,616                         | \$ 76,297,980    | \$ (59,348,527)   | \$ 160,005,089                            | \$ 9,434,698               |

\* Net pension asset not included in last year's ending balance.

Accrued compensated absences and the net pension liability are generally liquidated by the general fund.



# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

|                                      | Balance<br>October 1,<br>2015 | Additions/<br>Adjustments | Deductions          | Balance<br>September 30,<br>2016 | Current<br>Portion |
|--------------------------------------|-------------------------------|---------------------------|---------------------|----------------------------------|--------------------|
| <b>Business-type Activities:</b>     |                               |                           |                     |                                  |                    |
| Revenue Bonds:                       |                               |                           |                     |                                  |                    |
| <i>Water &amp; Electric Utility:</i> |                               |                           |                     |                                  |                    |
| 2009 Water and Electric              | 16,635,000                    | —                         | (95,000)            | 16,540,000                       | 105,000            |
| 2011 Water and Electric              | 77,870,000                    | —                         | (2,495,000)         | 75,375,000                       | 2,620,000          |
| 2014 Water and Electric              | 12,830,000                    | —                         | (1,280,000)         | 11,550,000                       | 770,000            |
| 2015 Water and Electric              | 51,280,000                    | —                         | (1,825,000)         | 49,455,000                       | 2,195,000          |
| Premiums (Discounts)                 | 3,997,216                     | 3,212                     | (252,326)           | 3,748,102                        | —                  |
| Total Water & Electric Utility       | <u>162,612,216</u>            | <u>3,212</u>              | <u>(5,947,326)</u>  | <u>156,668,102</u>               | <u>5,690,000</u>   |
| <i>Sanitary Sewer Utility:</i>       |                               |                           |                     |                                  |                    |
| 1999 Sanitary Sewer System Series A  | 1,075,000                     | —                         | (205,000)           | 870,000                          | 210,000            |
| 1999 Sanitary Sewer System Series B  | 410,000                       | —                         | (80,000)            | 330,000                          | 80,000             |
| 2000 Sanitary Sewer System Series B  | 840,000                       | —                         | (130,000)           | 710,000                          | 135,000            |
| 2002 Sanitary Sewer System Series A  | 995,000                       | —                         | (115,000)           | 880,000                          | 115,000            |
| 2003 Sanitary Sewer System Series B  | 1,805,000                     | —                         | (180,000)           | 1,625,000                        | 185,000            |
| 2004 Sanitary Sewer System Series B  | 365,000                       | —                         | (30,000)            | 335,000                          | 35,000             |
| 2006 Sanitary Sewer System Series B  | 550,000                       | —                         | (45,000)            | 505,000                          | 45,000             |
| 2007 Sanitary Sewer System Series B  | 1,245,000                     | —                         | (85,000)            | 1,160,000                        | 85,000             |
| 2009 Sanitary Sewer System           | 10,405,000                    | —                         | —                   | 10,405,000                       | —                  |
| 2010 Sanitary Sewer System Series A  | 51,678,000                    | —                         | (2,580,300)         | 49,097,700                       | 2,632,000          |
| 2012 Sanitary Sewer System           | 8,515,000                     | —                         | (295,000)           | 8,220,000                        | 300,000            |
| 2013 Sanitary Sewer System Refunding | 1,990,000                     | —                         | (665,000)           | 1,325,000                        | 660,000            |
| 2015 Sanitary Sewer System           | 18,200,000                    | —                         | (535,000)           | 17,665,000                       | 565,000            |
| Premiums (Discounts)                 | 1,294,324                     | 94                        | (71,398)            | 1,223,020                        | —                  |
| Total Sanitary Sewer Utility         | <u>99,367,324</u>             | <u>94</u>                 | <u>(5,016,698)</u>  | <u>94,350,720</u>                | <u>5,047,000</u>   |
| Total Revenue Bonds                  | <u>261,979,540</u>            | <u>3,306</u>              | <u>(10,964,024)</u> | <u>251,018,822</u>               | <u>10,737,000</u>  |

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

|  | Balance<br>October 1,<br>2015 | Additions            | Deductions             | Balance<br>September 30,<br>2016 | Current<br>Portion   |
|--|-------------------------------|----------------------|------------------------|----------------------------------|----------------------|
| <b>Business-type Activities (con't):</b>         |                               |                      |                        |                                  |                      |
| Special Obligation Bonds:                        |                               |                      |                        |                                  |                      |
| <i>Water and Electric Utility:</i>               |                               |                      |                        |                                  |                      |
| 2012D Water and Electric                         | 22,885,000                    | —                    | (835,000)              | 22,050,000                       | 870,000              |
| 2012E Water and Electric                         | 38,455,000                    | —                    | (500,000)              | 37,955,000                       | 500,000              |
| Premiums   | 2,712,460                     | —                    | (156,538)              | 2,555,922                        | —                    |
| Total Electric Utility                           | <u>64,052,460</u>             | <u>—</u>             | <u>(1,491,538)</u>     | <u>62,560,922</u>                | <u>1,370,000</u>     |
| <i>Sanitary Sewer Utility:</i>                   |                               |                      |                        |                                  |                      |
| 2006 Sanitary Sewer                              | 5,475,000                     | —                    | (5,475,000)            | —                                | —                    |
| 2012 Sanitary Sewer                              | 1,000,000                     | —                    | (160,000)              | 840,000                          | 160,000              |
| 2015 Sanitary Sewer Refunding                    | —                             | 4,710,000            | (395,000)              | 4,315,000                        | 350,000              |
| Premiums   | 53,995                        | 273,228              | (31,892)               | 295,331                          | —                    |
| Total Sanitary Sewer Utility                     | <u>6,528,995</u>              | <u>4,983,228</u>     | <u>(6,061,892)</u>     | <u>5,450,331</u>                 | <u>510,000</u>       |
| <i>Solid Waste Utility:</i>                      |                               |                      |                        |                                  |                      |
| 2006 Refuse System                               | 1,650,000                     | —                    | (1,650,000)            | —                                | —                    |
| 2012 Refuse System                               | 1,825,000                     | —                    | (285,000)              | 1,540,000                        | 295,000              |
| 2015 Refuse System Refunding                     | —                             | 1,235,000            | (430,000)              | 805,000                          | 70,000               |
| Premiums/(Discounts)                             | 49,489                        | 40,073               | (17,141)               | 72,421                           | —                    |
| Total Solid Waste Utility                        | <u>3,524,489</u>              | <u>1,275,073</u>     | <u>(2,382,141)</u>     | <u>2,417,421</u>                 | <u>365,000</u>       |
| <i>Parking Facilities:</i>                       |                               |                      |                        |                                  |                      |
| 2006 Parking Facilities                          | 1,730,000                     | —                    | (1,730,000)            | —                                | —                    |
| 2009 Parking Facilities                          | 13,030,000                    | —                    | —                      | 13,030,000                       | —                    |
| 2012 Parking Facilities                          | 7,740,000                     | —                    | (405,000)              | 7,335,000                        | 410,000              |
| 2015 Parking Facilities Refunding                | —                             | 1,135,000            | (610,000)              | 525,000                          | 95,000               |
| Premiums/(Discounts)                             | 225,206                       | 58,439               | (32,810)               | 250,835                          | —                    |
| Total Parking Facilities                         | <u>22,725,206</u>             | <u>1,193,439</u>     | <u>(2,777,810)</u>     | <u>21,140,835</u>                | <u>505,000</u>       |
| Total Special Obligation Bonds                   | <u>96,831,150</u>             | <u>7,451,740</u>     | <u>(12,713,381)</u>    | <u>91,569,509</u>                | <u>2,750,000</u>     |
| Accrued Compensated Absences                     | 2,097,763                     | 239,654              | —                      | 2,337,417                        | 1,518,663            |
| Capital Lease Obligation                         | 797,893                       | —                    | (72,216)               | 725,677                          | 72,643               |
| Net Pension liability*                           | (3,589,369)                   | 18,724,632           | (5,277,277)            | 9,857,986                        | —                    |
| Other long-term liabilities:                     |                               |                      |                        |                                  |                      |
| Accrued Landfill Closure/Post Closure Care Costs | —                             | 2,690,137            | —                      | 2,690,137                        | —                    |
| Total Other Long-Term Liabilities                | <u>—</u>                      | <u>2,690,137</u>     | <u>—</u>               | <u>2,690,137</u>                 | <u>—</u>             |
| Total Revenue Bonds (from above)                 | 261,979,540                   | 3,306                | (10,964,024)           | 251,018,822                      | 10,737,000           |
| Total Business-type Activities                   | <u>\$ 358,116,977</u>         | <u>\$ 29,109,469</u> | <u>\$ (29,026,898)</u> | <u>\$ 358,199,548</u>            | <u>\$ 15,078,306</u> |

\* Net pension asset not included in last year's ending balance.

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

### B. Debt Service Requirements to Maturity

The annual requirements to amortize all bonded debt outstanding as of September 30, 2016 totaling \$497,141,414 including interest payments of \$134,488,563, are as follows:

| <u>Year ending</u><br><u>September 30</u>          | <u>Governmental Activities:</u>                               |                       | <u>Business-type Activities:</u>                                     |                      |
|--|---|-----------------------|--|----------------------|
|  | <u>Lemone Trust Loan and Notes,<br/>MTFC Loan and Special</u> |                       | <u>Special Obligation</u>  |                      |
|  | <u>Obligation 2016 Refunding</u>                              |                       | <u>2009, 2012, 2012B, 2012C<br/>2012D, 2012E, and 2015 Refunding</u> |                      |
|  | <u>Principal</u>  | <u>Interest</u>       | <u>Principal</u>   | <u>Interest</u>      |
| 2017   | \$ 3,294,722  | 1,048,459             | 2,750,000  | 3,039,633            |
| 2018   | 3,424,156   | 914,636               | 4,705,000  | 2,923,580            |
| 2019   | 3,569,648   | 774,329               | 4,895,000  | 2,738,452            |
| 2020   | 3,720,772   | 621,020               | 5,085,000  | 2,538,256            |
| 2021   | 2,498,493   | 471,854               | 5,270,000  | 2,333,750            |
| 2022–2026  | 8,207,360   | 1,093,652             | 26,475,000   | 9,210,562            |
| 2027–2031  | 3,495,000   | 70,450                | 27,575,000   | 4,936,515            |
| 2032–2036  | —   | —                     | 11,640,000   | 624,877              |
|  | <u>\$ 28,210,151</u>  | <u>\$ 4,994,400</u>   | <u>\$ 88,395,000</u>   | <u>\$ 28,345,625</u> |
| <b>Business-type Activities: (continued)</b>       |   |                       |  |                      |
| <b>Revenue Bonds</b>                               |   |                       |  |                      |
| <u>Year ending</u><br><u>September 30</u>          | <u>Sanitary Sewer Utility</u>                                 |                       | <u>Water and Electric</u>  |                      |
|  | <u>Principal</u>  | <u>Interest</u>       | <u>Principal</u>   | <u>Interest</u>      |
| 2017   | \$ 5,047,000  | 2,556,717             | 5,690,000  | 5,957,288            |
| 2018   | 5,155,000   | 2,431,620             | 6,450,000  | 5,711,663            |
| 2019   | 4,608,900   | 2,305,838             | 6,715,000  | 5,446,263            |
| 2020   | 4,719,000   | 2,178,676             | 7,020,000  | 5,155,213            |
| 2021   | 4,525,100   | 2,053,678             | 7,310,000  | 4,881,213            |
| 2022–2026  | 22,993,300  | 8,523,444             | 35,070,000   | 19,794,750           |
| 2027–2031  | 28,886,700  | 5,250,009             | 30,320,000   | 14,448,666           |
| 2032–2036  | 16,657,700  | 1,439,210             | 28,845,000   | 8,610,516            |
| 2037–2041  | 535,000   | 10,031                | 15,755,000   | 3,492,331            |
| 2042–2046  | —   | —                     | 9,745,000  | 901,412              |
|  | <u>\$ 93,127,700</u>  | <u>\$ 26,749,223</u>  | <u>\$ 152,920,000</u>  | <u>\$ 74,399,315</u> |
| <b>TOTAL DEBT SERVICE REQUIREMENTS TO MATURITY</b> |   |                       |  |                      |
| <u>Year ending</u><br><u>September 30</u>          | <u>Principal</u>  | <u>Interest</u>       |  |                      |
| 2017   | \$ 16,781,722   | 12,602,097            |  |                      |
| 2018   | 19,734,156  | 11,981,499            |  |                      |
| 2019   | 19,788,548  | 11,264,882            |  |                      |
| 2020   | 20,544,772  | 10,493,165            |  |                      |
| 2021   | 19,603,593  | 9,740,495             |  |                      |
| 2022–2026  | 92,745,660  | 38,622,408            |  |                      |
| 2027–2031  | 90,276,700  | 24,705,640            |  |                      |
| 2032–2036  | 57,142,700  | 10,674,603            |  |                      |
| 2037–2041  | 16,290,000  | 3,502,362             |  |                      |
| 2042–2046  | 9,745,000   | 901,412               |  |                      |
|  | <u>\$ 362,652,851</u>   | <u>\$ 134,488,563</u> |  |                      |

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

### **C. Special Obligation Refunding and Capital Improvement Bonds – Series 2012 B, C, D, E, 2016**

In July 2016 the City issued \$17,580,000 of Special Obligation Refunding Bonds for the purpose of advance refunding the 2008B Special Obligation Improvement Bonds, outstanding in the principal amount of \$19,785,000. Interest is paid semiannually on March 1 and September 1 with final payment due on March 1, 2028. The interest rates on this issue range from 2% to 5%.

In December of 2012, the City issued \$39,955,000 of Special Obligation Electric Utility Improvement Bonds. The bonds are special obligations of the City payable solely from the annual appropriation of funds by the City for that purpose. The bonds are treated as utility revenue bonds of the Electric Utility, and are secured by pledged revenues of the Electric Utility. The bonds were issued for the advance refunding of the 2006C Electric special obligation bonds. Interest is paid semiannually on March 1 and September 1. Principal is due each year on September 1, through September 2032. At the option of the City bonds are subject to optional redemption and payment prior to maturity on or after September 1, 2020 at the redemption price of 100% of principal amount redeemed plus accrued interest on redemption date. The interest rates on this issue range from 2.00% to 4.00%.

In May of 2012, the City issued \$1,465,000 of Special Obligation Refunding Bonds, Series B. The bonds are special obligations of the City payable solely from the annual appropriation of funds by the City for that purpose. The bonds are to be treated as revenue bonds of the Sanitary Sewer Utility and are secured by a first lien on the revenues of the system. The bonds were issued to currently refund the 2001A Special Obligation Capital Improvement Bonds. Principal is due annually on October 1 through October 1, 2020 and interest is payable on April 1 and October 1. At the option of the City, bonds maturing on and after October 1, 2019, are redeemable on October 1, 2018 and thereafter at par plus accrued interest. The interest rate on this issue is 2.0%. The bonds require \$146,500 in a debt service reserve account.

In May of 2012, the City issued \$2,650,000 of Special Obligation Refunding Bonds, Series C. The bonds are special obligations of the City payable solely from the annual appropriation of funds by the City for that purpose. The bonds were issued to currently refund the 2001B Special Obligation Capital Improvement Bonds. Principal is due annually on February 1 through February 1, 2021 and interest is payable on February 1 and August 1. At the option of the City, bonds maturing on and after February 1, 2019, are redeemable on February 1, 2018 and thereafter at par plus accrued interest. The interest rate on this issue is 2.0%.

In May of 2012, the City issued \$25,400,000 of Special Obligation Electric Utility Improvement Bonds. The bonds are special obligations of the City payable solely from the annual appropriation of funds by the City for that purpose. The bonds are to be treated as utility revenue bonds of the Electric Utility, and are secured by pledged revenues of the Electric Utility. The bonds were issued for the advance refunding of the 2008A Electric special obligation bonds. Interest is paid semiannually on April 1 and October 1. Principal is due each year on October 1, through October 1, 2033. At the option of the City bonds maturing on and after October 1, 2021, may be subject to redemption and payment prior to maturity on or after October 1, 2020 at the redemption price of 100% of the principal amount redeemed plus accrued interest to the redemption date. The interest rates on this issue range from 2.00% to 5.00%. The bonds require \$1,666,350 in a debt service reserve account.

### **D. Special Obligation Improvement Bonds – Series 2012A-1, Series 2012 A-2, and Series 2009A**

In March of 2012, the City issued \$8,925,000 of Taxable and Tax-Exempt Special Obligation Improvement Bonds, Series A-1 and A-2, \$1,665,000 and \$7,260,000 respectively. The bonds are special limited obligations of the City, payable solely from the annual appropriation of funds of the City for that purpose. The bonds were issued for the purpose of financing the cost of certain capital improvements, making a deposit to the reserve account and paying costs incident to the issuance of the Bonds. Principal payments are due annually on March 1 through March 1, 2031 and interest payments are due on March 1 and September 1. The A-1 Series Bonds are not subject to optional redemption. The A-2 Series Bonds maturing on or after March 1, 2021, are redeemable on March 1, 2020 and thereafter at par plus accrued interest. The interest rates on this issue range from .55% to 4.0%. The bonds require \$621,278 in a debt service reserve account.

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

In September of 2009, the City issued \$13,030,000 of Taxable Special Obligation Improvement Bonds (Build America Bonds/Direct Subsidy). The bonds are special limited obligations of the City, payable solely from the annual appropriation of funds of the City for that purpose. The bonds were issued for the purpose of i) providing funds to acquire, construct and equip extensions, improvements, additions and enlargements of the City's Parking Utility; ii) making a deposit to the Debt Service Reserve Account; and iii) paying costs and expenses incident to the issuance of the Bonds. Interest is paid semiannually on March 1 and September 1. Principal maturities are to be paid March 1, 2017 and annually thereafter through March 1, 2034. At the option of the City, the Bonds may be subject to redemption and payment prior to maturity, on March 1, 2019 and thereafter in whole or in part at any time in any order of maturity selected by the City and by lot in multiples of \$5,000 within a maturity, at the redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the redemption date. The interest rates on this issue range from 4.3% to 6.2%, prior to the interest subsidy as explained in the following paragraph. The bonds require \$1,071,317 in a debt service reserve account.

The City is making the irrevocable election to have Section 54AA of the Internal Revenue Code of 1986, as amended (the "Code") apply to the Bonds so the Bonds may qualify as "build America bonds" (the "BABs") under Code Section 54AA(d). The City is further making the irrevocable election to have Section 54AA(g) of the Code apply to the Bonds so the Bonds qualify as "qualified bonds" under Code Section 54AA(g) in order to receive the refundable credits allowed to issuers pursuant to Sections 54AA(g)(1) and 6431 of the Code with respect to "qualified bonds" (the "BABs Interest Subsidy Payments"). Under current law, the BABs Interest Subsidy Payments are to be paid by the United States directly to any issuer of bonds that qualify as BABs and as "qualified bonds" in an amount equal to 35% of the interest payable by such issuer on such bonds on each interest payment date, provided that certain requirements, as described in the Code and related IRS pronouncements, as to the uses and investment of the bond proceeds and other matters, are continuously satisfied by such issuer. The City is covenanting to comply with the requirements of the Code necessary to maintain the qualification of the Bonds as BABs under Code Section 54AA(d) and as "qualified bonds" under Code Section 54AA(g). In 2014, the IRS Office of Tax Exempt Bonds announced a sequester reduction percentage for payments to issuers of direct pay bonds and the 35% subsidy was reduced by 7.2%.

### **E. Special Obligation Notes - 2010**

In December 2010 the City assumed a bank loan in the amount of \$2,550,000 taken by Columbia Area Jobs Foundation (CAJF) to pay Robert F LeMone Trust for the purchase of 2810 LeMone Industrial Boulevard (the IBM building). This loan has an interest rate of 5.25% and will be paid in monthly installments commencing February 1, 2011 and maturing December 31, 2020. Additionally, the city paid interest due from the initiation of the loan in May 2010 through December 2010. City funds are held in escrow at Boone County National Bank equal to the outstanding principal of the loan. Interest payments are subject to annual appropriation.

In December 2010 the City assumed a bank loan in the amount of \$9,229,723 taken by the Columbia Area Jobs Foundation (CAJF) to fund reconstruction of the building located at 2810 LeMone Industrial Boulevard (the IBM building). This loan has an interest rate of 6% and will be paid in monthly installments commencing February 1, 2011 and maturing October 1, 2020. The loan is not a general liability of the City except to the extent of fixed rental income from the lease of the property. The City assumed the ten year lease for the property between CAJF and IBM. The lender may not satisfy or seek a repayment of any sum due pursuant to the Loan from the City except by foreclosing on the items of collateral which secure the payment of the loan (the IBM building).

### **F. Direct Loan Agreement – Missouri Transportation Finance Corporation**

In July 2008 the City was authorized to execute a direct loan agreement and promissory note with the Missouri Transportation Finance Corporation (MTFC) for transportation improvements to the Stadium Boulevard corridor from Broadway to I-70. The MTFC deposited the loan proceeds in three disbursements. The first disbursement of \$1.5 million was received by the City in March 2012. The second disbursement of \$1 million was deposited to the Missouri Transportation Commission's Local Fund on behalf of the City in March 2012. The third and final disbursement was made October 1, 2012 to the Local Fund in the amount of \$5.7 million for a total of \$8.2 million.

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

The loan has an interest rate of 3.92% and will be paid in semi-annual installments commencing September 1, 2012 and maturing March 1, 2022. The loan is to be repaid with revenues received from the Columbia Mall Transportation Development District, the Shoppes at Stadium Transportation Development District and the Stadium Corridor Transportation Development District. Should these revenues be insufficient to meet the debt service requirements the City is responsible for the balance.

### **G. Special Obligation Refunding and Capital Improvement Bonds - Series 2015, 2006, and 2006B**

On December 8, 2015 the City of Columbia issued \$7,080,000 in Special Obligation refunding bonds with an average interest rate of 3.069% to currently refund \$8,855,000 of outstanding 2006 Special Obligation bonds with an interest rate ranging from 4.00% to 5.00%. The interest is paid semiannually on February 1 and August 1. Principal payments are due on February 1. The final payment is due on August 1 2026. The Bonds are special limited obligations of the City, payable solely from the annual appropriation of the funds by the City for that purpose. The reacquisition price was greater than the net carrying amount of the old debt by \$1,030,713. This amount is being netted against the new debt and amortized over the remaining life of the current debt, which is the same as the life of the refunded debt. As a result of the current refunding the City reduced its total debt service requirements by \$2,667,087, which resulted in an economic gain of \$648,817.

In June of 2006, the City issued \$25,615,000 of Special Obligation Revenue Refunding and Improvement Bonds for the purpose of i) advance refunding the Certificates of Participation (City of Columbia, Missouri, Lessee), Series 2001A, outstanding in the principal amount of \$2,085,000; ii) funding certain public safety and road capital improvements within the City; iii) making a deposit to the Debt Service Reserve Account; and iv) paying costs of issuance. Interest is paid semiannually on February 1 and August 1. Principal payments are due on February 1. The final payment is due February 1, 2016. The interest rate on this issue is 5.00%. The Bonds are special limited obligations of the City, payable solely from the annual appropriation of funds by the City for that purpose. The bonds require \$2,561,500 in a debt service reserve account.

On February 1, 2006, the City issued \$20,005,000 of Special Obligation Revenue Refunding and Improvement Bonds for the purpose of i) currently refunding the outstanding portion of the City's Special Obligation Refunding and Capital Improvement Bonds, Series 1996; ii) currently refunding the outstanding portion of the City's Parking Utility Revenue Bonds, Series 1995; iii) construction, improving and extending the City-owned sanitary sewer utility; iv) construction and improving the City-owned solid waste utility; v) funding a debt service reserve account; vi) paying cost of issuance. Interest is paid semiannually on February 1 and August 1. Principal payments are due on February 1. The final payment is due February 1, 2026. Interest rates on this issue range from 4.00% to 5.00%. The Bonds are special limited obligations of the City, payable solely from the annual appropriation of funds by the City for that purpose. The bonds require \$1,752,268 in a debt service reserve account. This bond was refunded on December 7, 2015.

### **H. Water and Electric Revenue Bonds – 2015 Series, 2014 Series, 2011 Series, and 2009 Series**

In August of 2015, the City issued \$51,280,000 of Water and Electric System Revenue Refunding Bonds. The bonds are to be paid by the net revenues of the system and certain accounts under the Ordinance to the extent pledged under the Ordinance. \$18,065,000 of the bonds was issued for the current refunding of the 2005A Water and Electric System Revenue Bonds and \$33,215,000 was issued to provide funding for improvements in the Electric Utility. Interest is paid semiannually on April 1 and October 1. Principal is due each year on October 1, through October 1, 2045. At the option of the City, the bonds or portions thereof maturing on October 1, 2024 and thereafter may be called for redemption and payment prior to their stated maturity on October 1, 2023 and thereafter, in whole or in part at any time in any order of maturity selected by the City and by lot in multiples of \$5,000 within a maturity, at the redemption price equal to the principal amount thereof, plus accrued interest thereon to the date of redemption. The interest rates on this issue range from 3.00% to 5.00%. The bonds require \$3,684,714 in a debt service reserve account.

In July of 2014, the City issued \$14,180,000 of Water and Electric System Revenue Refunding Bonds. The bonds are to be paid by the net revenues of the system and certain accounts under the Ordinance to the extent pledged

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

under the Ordinance. The bonds were issued for the current refunding of the 2003A Water and Electric System Revenue Refunding Bonds and the advance refunding of the 2004A Water and Electric System Revenue Bonds. Interest is paid semiannually on April 1 and October 1. Principal is due each year on October 1, through October 1, 2028. At the option of the City, the bonds or portions thereof maturing on October 1, 2023 and thereafter may be called for redemption and payment prior to their stated maturity on October 1, 2022 and thereafter, in whole or in part at any time in any order of maturity selected by the City and by lot in multiples of \$5,000 within a maturity, at the redemption price equal to the principal amount thereof, plus accrued interest thereon to the date of redemption. The interest rates on this issue range from 2.00% to 3.00%. The bonds require \$1,418,000 in a debt service reserve account.

In May of 2011, the City issued \$84,180,000 of Water and Electric System Revenue Bonds. The bonds are to be paid by the net revenues of the system and are secured by a first lien on the revenues. \$12,465,000 of the bonds were issued to refund \$11,680,000 of the outstanding 2002 Water and Electric Revenue Bonds, \$49,500,000 was issued to purchase the Columbia Energy Center, and \$22,215,000 was issued to provide funding for improvements and additions to the City's waterworks facilities. Interest is paid semiannually on April 1 and October 1. Principal is due each year on October 1 through October 1, 2041. Bonds maturing on October 1, 2020, and thereafter are subject to redemption prior to maturity at the option of the City at any time on or after October 1, 2019, at redemption price of 100% of the principal amount redeemed plus accrued interest to the redemption date. The interest rates on this issue range from 3.00% to 5.00%.

In September of 2009, the City issued \$16,725,000 of Water and Electric System Revenue Bonds. The bonds are to be paid by the net revenues of the system and are secured by a first lien on the revenues. The bonds were issued to provide funding for improvements and additions to the City's waterworks. Interest is paid semiannually on April 1 and October 1. Principal is due each year on October 1 through October 1, 2034. Bonds maturing on October 1, 2020, and thereafter are subject to redemption prior to maturity at the option of the City at any time on or after October 1, 2019, at redemption price of 100% of the principal amount redeemed plus accrued interest to the redemption date. The interest rates on this issue range from 3.00% to 4.125%.

The bond ordinances require 110% coverage of the aggregate debt service for each fiscal year. The Water and Electric Utility Fund is required to be accounted for in a separate enterprise fund under the bond ordinances. These ordinances also require that after sufficient current assets have been set aside to operate the fund, all remaining monies held by the fund be restricted in separate accounts in the following sequence:

| <u>Nature of accounts</u>                | <u>Amount</u>   | <u>Authorized expenditures</u>  |
|--|---|---|
| (a) Current bond maturities and interest | Monthly accumulations equal to semiannual debt service.   | Paying current principal and interest on bonds.   |
| (b) Revenue bond reserve                 | Amount equal to 1/60th of the debt service requirements until said account shall equal the debt reserve requirements in the amount of \$18,602,525. | Paying principal and interest in the event of a deficiency in the current bond maturities and interest account. |
| (c) Renewal and replacement account      | Amount of \$25,000 per month. Such payments shall be continued until the amount deposited and held in said fund shall equal \$1,500,000.            | Paying unforeseen contingencies and meeting emergencies arising in the operation of the system.                 |
| (d) Revenue bond construction            | To account for revenue bond issue proceeds prior to their expenditure for construction of utility plant.  | To provide funds to pay construction cost to the extent such monies are available.                              |

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

### **I. Sanitary Sewer Revenue Bonds – 2015 Series, 2013 Refunding Series, 2012 Series, 2010 Series A, 2009 Series, 2007 Series B, 2006 Series B, 2004 Series B, 2003 Series B, 2002 Series A, 2000 Series B, 1999 Series A, and 1999 Series B**

In March of 2015, the City issued \$18,200,000 of Sewerage System Revenue Bonds. These bonds are to be paid by the net revenues of the system, and are secured by a first lien on the revenues of the system. These bonds were issued for extending and improving the sewerage system. Payments of principal are due on October 1 of each year through October 1, 2035, and interest payments are due on April 1 and October 1. The bonds maturing on and after October 1, 2024, are redeemable on October 1, 2023 and thereafter at par plus accrued interest. The interest rates range from 3.0% to 5.0% on this issue. The bonds require \$1,232,886 in a debt service reserve account.

The City issued \$3,325,000 of Sewerage System Revenue Refunding Bonds in July of 2013. These bonds are special, limited obligations of the City, payable by the net revenues of the system. These bonds were issued to refund the 2002 Sewerage System Revenue Refunding Bonds. Payments of principal are due on October 1 of each year through October 1, 2017, and interest payments are due on October 1 and April 1. The interest rates range from .38% to 1.10% on this issue.

In March of 2012, the City issued \$9,365,000 of Sewerage System Revenue Bonds, Series A. These bonds are to be paid by the net revenues of the system, and are secured by a first lien on the revenues of the system. These bonds were issued for extending and improving the sewerage system. Payments of principal are due on October 1 of each year through October 1, 2036, and interest payments are due on April 1 and October 1. The bonds maturing on and after October 1, 2021, are redeemable on October 1, 2020 and thereafter at par plus accrued interest. The interest rates range from .35% to 3.75% on this issue. The bonds require \$550,070 in a debt service reserve account.

The City issued \$59,335,000 of Sewerage System Revenue Bonds, Series A in January of 2010. This issue had a not to exceed amount of \$59,335,000. The final drawdown has been made and the total was \$58,030,645. As of September 30, 2015, \$51,678,000 is outstanding and recorded as revenue bonds payable in the Sanitary Sewer Utility Fund. These bonds are to be paid by the net revenues of the system, and are secured by a first lien on the revenues of the system. These bonds were issued for extending and improving the sewerage system. Payments of principal are due on each January 1 and July 1 beginning July 1, 2013 through July 1, 2032. Interest payments are due on January 1 and July 1. The Bonds may be called for redemption and payment prior to stated maturity 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 date of redemption. The interest rate on this issue is 1.49%.

In September of 2009, the City issued \$10,405,000 of Taxable Sewerage System Revenue Bonds (Build America Bonds/Direct Subsidy). The bonds are special limited obligations of the City, payable solely from the net income and revenues derived by the City from the operation of its sewerage system, after payment of costs of operation and maintenance. The bonds were issued for the purpose of i) providing funds to acquire, construct and equip extensions, improvements, additions and enlargements of the City's Sewer System; ii) making a deposit to the Debt Service Reserve Account; and iii) paying costs and expenses incident to the issuance of the Bonds. Interest is paid semiannually on April 1 and October 1. Principal maturities are to be paid October 1, 2024 and annually thereafter through October 1, 2034. At the option of the City, the Bonds may be subject to redemption and payment prior to maturity, on October 1, 2019 and thereafter in whole or in part at any time in any order of maturity selected by the City and by lot in multiples of \$5,000 within a maturity, at the redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the redemption date. The interest rates on this issue range from 5.44% to 6.02%, prior to the interest subsidy as explained in the following paragraph.

The City is making the irrevocable election to have Section 54AA of the Internal Revenue Code of 1986, as amended (the "Code") apply to the Bonds so the Bonds may qualify as "build America bonds" (the "BABs") under Code Section 54AA(d). The City is further making the irrevocable election to have Section 54AA(g) of the Code apply to the Bonds so the Bonds qualify as "qualified bonds" under Code Section 54AA(g) in order to receive the refundable credits allowed to issuers pursuant to Sections 54AA(g)(1) and 6431 of the Code with respect to "qualified bonds" (the "BABs Interest Subsidy Payments"). Under current law, the BABs Interest Subsidy Payments are to be paid by the United States directly to any issuer of bonds that qualify as BABs and as "qualified



# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

bonds” in an amount equal to 35% of the interest payable by such issuer on such bonds on each interest payment date, provided that certain requirements, as described in the Code and related IRS pronouncements, as to the uses bonds” in an amount equal to 35% of the interest payable by such issuer on such bonds on each interest payment date, provided that certain requirements, as described in the Code and related IRS pronouncements, as to the uses and investment of the bond proceeds and other matters, are continuously satisfied by such issuer. The City is covenanting to comply with the requirements of the Code necessary to maintain the qualification of the Bonds as BABs under Code Section 54AA(d) and as “qualified bonds” under Code Section 54AA(g). In 2014, the IRS Office of Tax Exempt Bonds announced a sequester reduction percentage for payments to issuers of direct pay bonds and the 35% subsidy was reduced by 7.2%.

The City issued \$1,800,000 of Sewerage System Bonds, Series B in November of 2007. These bonds are to be paid by the net revenues of the system, and are secured by a first lien on the revenues of the system. These bonds were issued for extending and improving the sewerage system. Payments of principal are due on January 1 of each year, beginning in 2009, through January 1, 2028, and interest payments are due on January 1 and July 1. The bonds maturing on and after January 1, 2018, are redeemable on each June 1 and December 1, commencing on December 1, 2016, at par plus accrued interest. The interest rates range from 4.00% to 5.00% on this issue.

The City issued \$915,000 of Sewerage System Bonds, Series B in November of 2006. These bonds are to be paid by the net revenues of the system, and are secured by a first lien on the revenues of the system. These bonds were issued for extending and improving the sewerage system. Payments of principal are due on July 1 of each year, beginning in 2007, through July 1, 2026, and interest payments are due on January 1 and July 1. The bonds maturing on and after July 1, 2017, are redeemable on each June 1 and December 1, commencing on June 1, 2016, at par plus accrued interest. The interest rates range from 4.00% to 5.00% on this issue.

The City issued \$650,000 of Sewerage System Bonds, Series B in May of 2004. These bonds are to be paid by the net revenues of the system, and are secured by a first lien on the revenues of the system. These bonds were issued for extending and improving the sewerage system. Payments of principal are due on January 1 of each year through January 1, 2025, and interest payments are due on January 1 and July 1. The bonds maturing on and after January 1, 2015, are redeemable on each June 1 and December 1, commencing on June 1, 2014, at par plus accrued interest. The interest rates range from 2.00% to 5.25% on this issue.

The City issued \$3,620,000 of Sewerage System Revenue Bonds, Series B in May of 2003. These bonds are to be paid by the net revenues of the system, and are secured by a first lien on the revenues of the system. These bonds were issued for extending and improving the sewerage system. Payments of principal are due on January 1 of each year through January 1, 2024, and interest payments are due on January 1 and July 1. The bonds maturing on and after January 1, 2014, are redeemable on each June 1 and December 1, commencing on December 1, 2012, at par plus accrued interest. The interest rates range from 2.00% to 5.25% on this issue.

The City issued \$2,230,000 of Sewerage System Revenue Bonds, Series A in May of 2002. These bonds are to be paid by the net revenues of the system, and are secured by a first lien on the revenues of the system. These bonds were issued for extending and improving the sewerage system. Payments of principal are due on January 1 of each year through January 1, 2023, and interest payments are due on January 1 and July 1. The bonds maturing on and after January 1, 2013, are redeemable on each June 1 and December 1, commencing on June 1, 2012, at par plus accrued interest. The interest rates range from 3.0% to 5.375% on this issue.

The City issued \$2,445,000 of Sewerage System Revenue Bonds, Series B in November of 2000. These bonds are to be paid by the net revenues of the system, and are secured by a first lien on the revenues of the system. These bonds were issued for extending and improving the sewerage system. Payments of principal are due on July 1 of each year through July 1, 2021, and interest payments are due on January 1 and July 1. The bonds maturing on and after July 1, 2013, are redeemable on each June 1 and December 1, commencing on December 1, 2010, at par plus accrued interest. The interest rates range from 4.350% to 5.625% on this issue.

The City issued \$1,420,000 of Sewerage System Revenue Bonds, Series B in December of 1999. These bonds are to be paid by the net revenues of the system, and are secured by a first lien on the revenues of the system. These bonds

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

were issued for extending and improving the sewerage system. Payments of principal are due on July 1 of each year through July 1, 2020, and interest payments are due on January 1 and July 1. The bonds maturing on and after July 1, 2011, are redeemable on each June 1 and December 1, commencing on June 1, 2010, at par plus accrued interest. The interest rates range from 4.125% to 6.000% on this issue.

The City issued \$3,730,000 of Sewerage System Revenue Bonds, Series A in June of 1999. These bonds are to be paid by the net revenues of the system, and are secured by a first lien on the revenues of the system. These bonds were issued for extending and improving the sewerage system. Payments of principal are due on January 1 of each year through January 1, 2020, and interest payments are due on January 1 and July 1. The bonds maturing on and after January 1, 2010, are redeemable on each June 1, and December 1, commencing on June 1, 2009, at par plus a premium of 1% reduced by .5% each year thereafter to June 1, 2011. The interest rates range from 3.625% to 5.25% on this issue.

The bond ordinances require 110% coverage of the aggregate debt service for each fiscal year. In compliance with the bond ordinances, the Sanitary Sewer Utility Fund is accounted for in a separate enterprise fund. Additional bond ordinance requirements provide for the restricting of operating revenues after current operating expenses have been met. These restrictions occur in the following sequence:

| <u>Nature of accounts</u>                 | <u>Amount</u>   | <u>Authorized expenditures</u>   |
|---|---|--|
| (a) Operation and maintenance             | Equal to one month's operating expenses of the utility.   | Operating expenses when non-restricted current assets are not available for payment.   |
| (b) Sinking fund (cash with fiscal agent) | Current fiscal year bond maturity and interest accumulated monthly.   | Payment of current principal and interest on bonds.  |
| (c) Revenue bond reserve                  | Amount equal to \$624,241 for the 2006 Special Obligation Bonds, \$937,989 for the 2009 Revenue Bonds, \$550,070 for the 2012 Revenue Bonds, \$131,000 for the 2012B Special Obligation Refunding Bonds and \$1,232,886 for the 2015 Revenue Bonds. | Payment of principal and interest due on bonds when other funds are unavailable.   |
| (d) Contingency                           | Amount of \$2,000 per month. Such payments shall continue until the amount deposited and held in said fund shall equal \$200,000.   | Unforeseen contingencies; emergencies affecting operation and maintenance replacement for effective and efficient operation. |
| (e) Revenue bond construction             | To account for revenue bond issue proceeds prior to expenditure for construction of utility plant additions.  | Cost of construction projects.   |

In November 2013, voters approved the issuance of \$32,340,000 of Sanitary Sewer Revenue bonds and as of September 30, 2016, there is \$21,561,000 remaining from this authorization that has not been issued.

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

### J. Capital Lease Agreements

#### I. Governmental Activities:

In December 2013, the City entered into a lease purchase agreement as lessee for financing the acquisition of computer equipment for the Information Technology Department. Lease payments began in March 2014 when the equipment was received. This agreement qualifies as a capital lease for accounting purposes; the City will make thirty six monthly payments including interest of 1.84%.

Future minimum lease payments for this lease are as follows:

|  | Debt<br>Governmental<br>Activities |
|--|------------------------------------|
| Year ending September 30:<br>2017                          | 10,178                             |
| Total minimum lease payment                                | 10,178                             |
| Less interest amount                                       | 46                                 |
| Present value of net minimum<br>lease payment           \$ | 10,132                             |

The following schedule provides an analysis of the City's investment in capital assets under lease arrangements as of September 30, 2016:

|                                      |          |
|--------------------------------------|----------|
| Furniture, fixtures and equipment    | \$71,247 |
| Less: Accumulated depreciation       | (40,374) |
| Total net book value of lease assets | \$30,873 |

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

### 2. Business Type Activities:

On January 19, 2010, the City entered into an amendment to the ground lease agreement with Central Missouri Aviation, Inc. for future renovations and improvements to the fixed base operator hangar at Columbia Regional Airport. All improvements are the property of the City and were completed in 2011. This agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments of \$252,816 with an interest rate of 3.5% beginning April 1, 2011 and a final maturity of March 1, 2021.

The following is a schedule of the present value of net minimum lease payments for this capital lease as of September 30, 2016:

|  | Debt<br>Business-Type<br>Activities |
|--|-------------------------------------|
| Year ending September 30:                      |                                     |
| 2017   | 30,000                              |
| 2018   | 30,000                              |
| 2019   | 30,000                              |
| 2020   | 30,000                              |
| 2021   | 15,000                              |
| Total minimum lease payments                   | 135,000                             |
| Less interest amount                           | 10,262                              |
| Present value of net minimum<br>lease payments | \$124,738                           |

The total improvements acquired through the agreement are \$415,306, including a private contribution of \$162,490, and have been added to the capital asset: Structures and Improvements.

In August 2015, the City entered into a lease purchase agreement as lessee for financing the acquisition of an electric bus for the Public Transportation fund. Lease payments began in November 2015. This agreement qualifies as a capital lease for accounting purposes; the City will make one-hundred forty-four monthly payments including interest of .903%.

The following is a summary of the capital lease transaction for the City for the year ended September 30, 2016:

|   |           |
|---|-----------|
| Capital lease obligation September 30, 2015 | \$648,000 |
| Principal payments                          | 47,061    |
| Capital lease obligation September 30, 2016 | \$600,939 |

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

Future minimum lease payments for this lease are as follows:

|  | Debt<br>Business-Type<br>Activities |
|--|-------------------------------------|
| Year ending September 30:                      |                                     |
| 2017   | 57,000                              |
| 2018   | 57,000                              |
| 2019   | 57,000                              |
| 2020   | 57,000                              |
| 2021   | 57,000                              |
| 2022-2026                                      | 285,000                             |
| 2027-2028                                      | 61,750                              |
| Total minimum lease payments                   | 631,750                             |
| Less interest amount                           | 30,811                              |
| Present value of net minimum<br>lease payments | \$600,939                           |

The following schedule provides an analysis of the City's investment in capital assets under lease arrangements as of September 30, 2016:

|                                      |           |
|--------------------------------------|-----------|
| Furniture, fixtures and equipment    | \$648,000 |
| Less: Accumulated depreciation       | 63,180    |
| Total net book value of lease assets | \$584,820 |

### K. Pledged Revenues

The City has pledged future sanitary sewer operating revenues, net of specified operating expenses, to repay \$98,282,700 in sanitary sewerage system revenue, revenue refunding and special obligation bonds. The bonds are payable solely from sanitary sewer net revenues and are payable through 2037. Annual principal and interest payments on the bonds have required on average 60 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$125,731,849. Principal and interest paid for the current year and total net sanitary sewer revenues for the current year were \$8,293,351 and \$13,467,314, respectively.

The City has pledged future water and electric operating revenues net of operating expenses to repay \$212,925,000 in water and electric system revenue and special obligation bonds. The bonds are to be paid solely from water and electric net revenues and are payable through 2045. Annual principal and interest payments on the bonds have required on average 33 percent of net revenues. Total principal and interest remaining to be paid on the bonds is \$305,547,889. Principal and interest paid for the current year and total net revenues were \$15,084,513 and \$47,012,840 respectively.

### L. Legal Debt Margin

The City's assessed value supports a general obligation bond limit of \$385,794,355. The City did not have any general obligation bonds outstanding as of September 30, 2016.

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

### X. ADVANCE REFUNDING

The City has defeased certain special obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old debt. Accordingly, the trust account assets and the liability for the defeased debts are not included in the City's government-wide financial statements. On September 30, 2016, \$79,785,000 of special obligation bond debt outstanding is considered defeased. The table below details this issue.

| <u>Issue</u>                                   | <u>Outstanding<br/>at<br/>September 30,<br/>2016</u> |
|--|--|
| Electric 2006C series Special Obligation bonds | 38,535,000   |
| Electric 2008A series Special Obligation bonds | 21,465,000   |
| 2008B Special Obligation Bonds                 | <u>19,785,000</u>                                    |
| Total  | <u>\$ 79,785,000</u>                                 |

### XI. DEFEASANCE

On July 14, 2016 the City issued \$17,580,000 Special Obligation Refunding Bonds, Series 2016 to advance refund \$19,785,000 of outstanding 2008B Special Obligation Improvement Bonds. The proceeds of \$21,234,085 (including a City contribution of \$2,194,500) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2008B Special Obligation Improvement Bonds. As a result the 2008B Special Obligation Improvement Bonds are considered to be defeased and the liability for those bonds has been removed from long term debt.

The reacquisition price was greater than the net carrying amount of the old debt by \$1,449,085. This amount is being netted against the new debt and amortized over the remaining life of the new debt, which is the same as the life of the advance refunded debt. As a result of the advance refunding the City reduced its total debt service requirements by \$4,640,040, which resulted in an economic gain of \$1,981,381.

### XII. RISK MANAGEMENT

#### A. Self-insurance

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 1988, the City established a self insurance retention program for workers' compensation, liability, and property losses with two issues of special obligation bonds (repaid) to establish reserves for self-insurance. Excess coverage insurance policies cover individual claims in excess of \$500,000 for general liability, \$100,000 for property losses, and workers' compensation claims in excess of \$500,000 for most employee classifications and \$750,000 for Police, Fire and Electrical employees. The City carries insurance policies for airport and railroad liability and health clinic professional liability. Two claims have exceeded self-insurance or deductible levels during the past three years.

All operations of the City participate in the program and make payments to the Self-insurance Reserve Internal Service Fund's Liquidity Reserve based on an estimate of the amounts needed to pay claims. The claims liability of \$6,501,876 reported in the Self-insurance Reserve Fund at September 30, 2016 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. None of the

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

claims liability have been discounted. The City has not purchased annuity contracts from commercial insurers to satisfy liabilities for any claim, therefore, no liability for claims has been removed from the balance sheet. Changes in the claims liability amount in fiscal years 2015 and 2016 were:

|           | <u>Beginning<br/>of fiscal year<br/>liability</u> | <u>Current year<br/>Claims and<br/>changes in<br/>estimates</u> | <u>Claim<br/>payments</u> | <u>Balance<br/>fiscal<br/>year-end</u> |
|-----------|---|---|---------------------------|--|
| 9/30/2015 | \$ 5,487,590                                      | \$ 3,532,227  | \$ (2,696,444)            | \$ 6,323,373                           |
| 9/30/2016 | \$ 6,323,373                                      | \$ 2,394,233  | \$ (2,215,730)            | \$ 6,501,876                           |

### B. Employees' Health Plan

The Employee Benefit Internal Service Fund accounts for the transactions and reserves associated with the City's medical, dental, prescription drug, life, and long-term disability programs for City employees. Coverage for health, dental, and prescription drug plans are self-insured. The City has a stop-loss attachment point of \$100,000 per person. Other coverages are with commercial insurance carriers.

Incurred but not reported claims of \$1,075,710 are reported in the Employee Benefit Fund as of September 30, 2016. These medical, prescription, and dental reserves are estimated based on submitted claim lag reports using a 15-month run-off, which are adjusted for inflation/utilization trends, plan design and population changes. Changes in the claims liability amount in fiscal years 2015 and 2016 were:

|           | <u>Beginning<br/>of fiscal year<br/>liability</u> | <u>Current year<br/>Claims and<br/>changes in<br/>estimates</u> | <u>Claim<br/>payments</u> | <u>Balance<br/>fiscal<br/>year-end</u> |
|-----------|---|---|---------------------------|--|
| 9/30/2015 | \$ 891,500  | \$ 10,339,046   | \$ (10,099,646)           | \$ 1,130,900                           |
| 9/30/2016 | \$ 1,130,900                                      | \$ 10,196,593   | \$ (10,251,783)           | \$ 1,075,710                           |

### XIII. LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and federal laws and regulations require that the City of Columbia place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. During fiscal year 1994, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs*. GASB No. 18 requires that, in addition to recognizing operating expenses related to current activities of the landfill, an expense provision and related liability be recognized for future closure and postclosure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and postclosure care costs is accrued ratably over the useful life of the landfill based on the portion of the landfill used during the year and is being recorded in the Solid Waste Utility Enterprise Fund.

Landfill closure and postclosure costs to date are \$8,569,945 which is based on 66.92% usage of the landfill. The recorded liability is \$2,690,137 as of September 30, 2016. The City will recognize the remaining costs of closure and postclosure care of \$1,956,540 as the remaining capacity is filled. The estimated total current costs of the landfill closure and postclosure care (\$10,526,485) is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor and maintain the landfill were acquired as of September 30, 2016. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. The estimated remaining life of the landfill is approximately 12 years.

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

The City of Columbia has executed a contract of obligation with the Missouri Department of Natural Resources for landfill closure and postclosure care costs. This financial assurance instrument allows the Missouri Department of Natural Resources to collect the required amount from any state funds which could be dispersed to the City should the City fail to perform closure or postclosure care activities.

### **XIV. CONTINGENCIES**

#### **A. Grants**

The City receives significant financial assistance from numerous federal, state, and local governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at September 30, 2016.

#### **B. Litigation**

Various suits and claims against the City are presently pending involving claims for personal injury, tax appeals, and miscellaneous cases. In the opinion of management, both individually and in the aggregate, such suits or claims will not have a material effect on the financial position of the City.

### **XV. EMPLOYEE RETIREMENT SYSTEMS AND PLANS**

Except for Railroad employees, all full-time, regular employees of the City of Columbia participate in one of three retirement plans. The City administers two single-employer defined benefit pension plans, the Police Retirement Fund which covers full-time regular police officers, and the Firefighters' Retirement Fund which covers full-time regular firefighters. The Authority to provide pensions for Police and Firefighters is established in Revised Statutes of Missouri (RSMo) Section 86.583, and firefighters' retirement and relief systems for all municipalities in RSMo Section 87.005-87.105. Benefit provisions and contribution requirements are established by City ordinance, and may be amended by City ordinance. Management of the retirement plans is vested in the Police Retirement Board and the Firefighters' Retirement Board. Each board shall consist of five (5) members, two (2) of whom shall be members of each department, two (2) of whom shall be registered voters and residents of the city. The chief of each department shall be an ex officio, nonvoting member of the board.

The City participates in the Missouri Local Government Employees Retirement System (LAGERS) which is a defined benefit pension plan that provides certain retirement, disability and death benefits to plan members and beneficiaries. This plan covers substantially all of the City's employees not covered by the Police or Firefighters Retirement Funds. LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at [www.molagers.org](http://www.molagers.org).

#### **A. Police and Fire Pension**

##### ***1. Plan Description***

Participants in the Police and the Firefighters' Retirement plans become fully vested at the completion of their probationary period, which is generally one year after employment. Participants employed September 30, 2012 or earlier are eligible for retirement benefits, payable monthly for life, upon reaching the age of 65, or 20 years of credited service. Police participants employed October 1, 2012 or later are eligible for retirement benefits, payable



# CITY OF COLUMBIA, MISSOURI

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monthly for life, upon reaching the age of 65, or 25 years of credited service. Firefighter participants employed October 1, 2012 or later are eligible for retirement benefits, payable monthly for life, upon having completed at least one year of active service and reaching the age of 55. The plans also provide early retirement, death, and disability benefits. Benefits and refunds of the Police and the Firefighters' Retirement pension plans are recognized and payable when due.

Participants in the Police Retirement plan employed September 30, 2012 or earlier receive a normal benefit equal to 3.0% of their highest average salary multiplied by the number of years of active service up to 20 years, plus 2% of the highest average salary for each year of service in excess of 20 years, but not to exceed 70% of the highest average salary. This benefit shall continue for life. Participants in the Police Retirement plan employed as of October 1, 1991 could elect a second option. Under this option employees retiring after January 4, 1993 receive a benefit increase of 3% each year from retirement to age 62. When a covered employee reaches age 62, the retirement benefit shall equal 2.2% of the highest average salary times the years of service to a maximum of 52.5% of the highest average salary with 25 years of continuous service. The benefit calculated at age 62 is then increased by 2% for each year from retirement to age 61. This benefit is then payable from age 62 and increased in each future year by 2% of the preceding year's benefit.

Participants in the Police Retirement plan employed October 1, 2012 or later receive a normal benefit equal to 2.0% of highest average salary per year of covered employment up to twenty-five years. For each year of service in covered employment over twenty-five, the retiree shall receive an additional 1.5% of highest average salary per year, up to a maximum of 57.5% for twenty-five years of service. In the first month of each plan year the retirement benefit shall be increased by 0.6%.

Participants in the Firefighters' Retirement plan employed September 30, 2012 or earlier with 20 or more years of service receive a normal benefit equal to 70% of the highest annual salary plus 2% per year for each year in excess of 20 years, up to a maximum of 80% of the highest annual salary. The normal benefit is increased annually by 2%. Participants in the Firefighters' Retirement plan employed October 1, 2012 or later receive a retirement benefit equal to 2.5% of the retiree's highest average salary multiplied by the number of years of active service. If a retiree is age 50 and not yet age 55 at the date of retirement, the retirement benefit payable will be reduced by 0.5% for each month that the retirement date precedes age 55.

Membership of each plan consisted of the following at the date of the latest actuarial valuation:

|   | <b>Police<br/>Pension</b> | <b>Fire<br/>Pension</b> |
|---|---------------------------|-------------------------|
| Number of participants:                         |                           |                         |
| Current membership (receiving benefits)*        | 157                       | 156                     |
| Terminated entitled, not yet receiving benefits | 19                        | 3                       |
| Current active members*                         | 150                       | 125                     |

\* Included in the total for current active and current membership (receiving benefits) Police and Fire members are 3 Fire DROP (Deferred Retirement Option Program) members and 6 Police DROP members.

Financial Statements for the Police and Firefighters' Retirement Funds are presented within this document. There are no separately issued financial statements for the Police and Firefighters' Retirement Funds.

### ***2. Funding Policy and Assumptions***

The City's Police and Fire pension contributions for the fiscal year ended September 30, 2016, were made in accordance with actuarially determined contribution requirements determined through actuarial valuation.

The roll-forward of total pension liability from September 30, 2015 to September 30, 2016 reflects expected service cost and interest reduced by actual benefit payments and administrative expenses. Actuarially determined

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

contribution rates are calculated as of September 30 which is 1 year prior to the beginning of the fiscal year in which contributions are reported.

The City's annual pension cost for Police and Fire pensions and the related information for each plan is as follows:

|                                | <b>Police Plan</b>  | <b>Fire Plan</b>      |
|--------------------------------|---|-----------------------|
| Contribution rates:            |   |                       |
| City                           | 39.19%  | 56.46%                |
| Plan members – contributory    | 8.35%   | 16.32%                |
| Plan members – noncontributory | 3.50%   | —                     |
| Annual pension cost            | \$3,812,192   | \$5,226,250           |
| Contributions made             | \$3,812,192   | \$5,226,250           |
| Actuarial valuation date       | 9/30/2015   | 9/30/2015             |
| Actuarial cost method          | entry age normal  | entry age normal      |
| Amortization method            | level % of pay–closed                                       | level % of pay–closed |
| Remaining amortization period  | 24 years  | 24 years              |
| Asset valuation method         | smooth 4 year market  | smooth 4 year market  |
| Actuarial assumptions:         |   |                       |
| Investment rate of return      | 7.5%  | 7.5%                  |
| Projected salary increases *   | 0% – 10.3%  | 0% – 10.3%            |
| * Includes inflation at        | 3.5%  | 3.5%                  |
| Benefit increases              | 2% annually until<br>attained age of 62; 2.2%<br>thereafter | 2% annually           |

The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were the RP-2014 Healthy Annuitant mortality table for males and females, 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. This assumption was last reviewed and updated as part of the 5-year experience study for the period October 1, 2010 through September 30, 2015.

The actuarial assumptions used in the September 30, 2015 valuation were based on results of an actuarial experience study for the five year period October 31, 2010 through September 30, 2015. Amounts reported as changes in assumptions resulted primarily from the changes in the investment rate of return (from 7.5% to 7.0%), wage inflation (from 3.5% to 3.25%) and the amortization period to a 30-year period.

Prior to September 22, 1985, participants in the police retirement plan were able to elect to receive a higher salary and make a contribution to the plan or elect to receive a lower salary and not make a contribution.

### **3. Investments**

Due to the compatible investment objectives of the funds, the City pools the Police and Firefighters' Retirement Funds portfolio. Investments shall be made by the director of finance or the director's designee under the direction and review of the investment committee. The investment committee shall establish a general policy for investments, and the fund shall be invested by the director of finance in accordance with that policy. The investment committee shall review the investments from time to time as it shall deem appropriate. The director of finance shall make a quarterly report of investments and disbursements.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. The fund's investment policy establishes the following target allocation across asset classes:

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

| <u>Asset Class</u>                      | <u>Asset<br/>Allocation Target %</u> | <u>Long-Term Expected<br/>Real Rate of Return</u> |
|---|--------------------------------------|---|
| Cash                                    | 0.00%                                | 0.10%   |
| Domestic Equity - Large Cap             | 26.05%                               | 5.68%   |
| Domestic Equity - Small Cap             | 26.05%                               | 6.51%   |
| International Equity                    | 11.16%                               | 6.66%   |
| Emerging Markets                        | 11.16%                               | 8.84%   |
| Domestic Corporate Fixed Income         | 8.36%                                | 1.42%   |
| Domestic Government Fixed Income        | 11.36%                               | 0.85%   |
| Treasury Inflation Protected Securities | 0.00%                                | 1.01%   |
| High Yield Bonds                        | 5.86%                                | 4.08%   |
| Real Estate                             | 0.00%                                | 4.24%   |
| Private Equity                          | 0.00%                                | 9.19%   |
| Hedge Funds                             | 0.00%                                | 3.92%   |
| Other Alternatives                      | 0.00%                                | 4.57%   |
|   | 100.00%                              |   |
| <br>Total Real Rate of Return           |                                      | <br>5.36%   |

For the year ended September 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.67 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

#### ***4. Changes in the Net Pension Liability of the Plans:***

The net pension liability is to be measured as the total pension liability, less the amount of the pension plan's fiduciary net position. In actuarial terms, this will be the accrued liability less the market value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuations performed to determine the employer's contribution requirement.)

An actuarial valuation to determine the total pension liability is required to be performed at least every two years. If the actuarial valuation is not calculated as of the plan's fiscal year end, the total pension liability is required to be rolled forward from the actuarial valuation date to the pension plan's fiscal year end.

The total pension liability shown in this report is based on an actuarial valuation performed as of September 30, 2015 and a measurement date of September 30, 2016. Standard update procedures were used to roll forward the total pension liability to September 30, 2016.

The components of the net pension liability at September 30, 2016 were as follows:

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

a: Fire division:

|   | Increase (Decrease)        |                                |                          |
|---|----------------------------|--------------------------------|--------------------------|
|   | Total Pension<br>Liability | Plan Fiduciary<br>Net Position | Net Pension<br>Liability |
|   | (a)                        | (b)                            | (a)-(b)                  |
| <b>Balances at 9/30/2015</b>                      | <u>\$ 123,200,865</u>      | <u>\$ 69,028,862</u>           | <u>\$ 54,172,003</u>     |
| <b>Changes for the year:</b>                      |                            |                                |                          |
| Service Cost                                      | 2,915,282                  | -                              | 2,915,282                |
| Interest  | 9,051,984                  | -                              | 9,051,984                |
| Benefit changes                                   | -                          | -                              | -                        |
| Difference between expected and actual experience | (67,212)                   | -                              | (67,212)                 |
| Contributions-employer                            | -                          | 5,226,250                      | (5,226,250)              |
| Contributions-employee                            | -                          | 1,212,139                      | (1,212,139)              |
| Assumption changes                                | 12,883,084                 | -                              | 12,883,084               |
| Net investment income                             | -                          | 4,266,438                      | (4,266,438)              |
| Benefit payments, including refunds               | (7,930,765)                | (7,930,765)                    | -                        |
| Administrative expense                            | -                          | (31,700)                       | 31,700                   |
| Other changes                                     | -                          | (37,252)                       | 37,252                   |
| <b>Net changes</b>                                | <u>16,852,373</u>          | <u>2,705,110</u>               | <u>14,147,263</u>        |
| <b>Balances at 9/30/2016</b>                      | <u>\$ 140,053,238</u>      | <u>\$ 71,733,972</u>           | <u>\$ 68,319,266</u>     |

b: Police division:

|   | Increase (Decrease)        |                                |                          |
|---|----------------------------|--------------------------------|--------------------------|
|   | Total Pension<br>Liability | Plan Fiduciary<br>Net Position | Net Pension<br>Liability |
|   | (a)                        | (b)                            | (a)-(b)                  |
| <b>Balances at 9/30/2015</b>                      | <u>\$ 82,299,414</u>       | <u>\$ 45,810,617</u>           | <u>\$ 36,488,797</u>     |
| <b>Changes for the year:</b>                      |                            |                                |                          |
| Service Cost                                      | 1,786,078                  | -                              | 1,786,078                |
| Interest  | 6,070,042                  | -                              | 6,070,042                |
| Benefit changes                                   | -                          | -                              | -                        |
| Difference between expected and actual experience | (58,757)                   | -                              | (58,757)                 |
| Assumption changes                                | 8,226,357                  | -                              | 8,226,357                |
| Contributions-employer                            | -                          | 3,812,192                      | (3,812,192)              |
| Contributions-employee                            | -                          | 341,495                        | (341,495)                |
| Net investment income                             | -                          | 2,850,982                      | (2,850,982)              |
| Benefit payments, including refunds               | (4,517,130)                | (4,517,130)                    | -                        |
| Administrative expense                            | -                          | (21,182)                       | 21,182                   |
| Other changes                                     | -                          | (24,893)                       | 24,893                   |
| <b>Net changes</b>                                | <u>11,506,590</u>          | <u>2,441,464</u>               | <u>9,065,126</u>         |
| <b>Balances at 9/30/2016</b>                      | <u>\$ 93,806,004</u>       | <u>\$ 48,252,081</u>           | <u>\$ 45,553,923</u>     |

### 5. Single Discount Rate and Rate Sensitivity:

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 the Bond Buyer Index, general obligation, 20 years to maturity, mixed quality. The Bond Buyer notes that the

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

bonds' average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

A single discount rate of 7.0% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.0%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Regarding the sensitivity of the net position liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 7.00% as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage point higher:

### Sensitivity of Net Pension Liability to the Single Discount Rate Assumption

#### FIRE

|                                     | Current Single Discount     |                                 |                             |
|-------------------------------------|-----------------------------|---------------------------------|-----------------------------|
|                                     | 1% Decrease<br><b>6.00%</b> | Rate Assumption<br><b>7.00%</b> | 1% Increase<br><b>8.00%</b> |
| Total Pension Liability (TPL)       | \$159,260,378               | \$140,053,238                   | \$124,337,209               |
| Net Pension Restricted for Pensions | 71,733,972                  | 71,733,972                      | 71,733,972                  |
| Net Pension Liability (NPL)         | \$87,526,406                | \$68,319,266                    | \$52,603,237                |

Fire fiduciary net position as a percentage of the total pension liability 51.22%

#### POLICE

|                                     | Current Single Discount     |                                 |                             |
|-------------------------------------|-----------------------------|---------------------------------|-----------------------------|
|                                     | 1% Decrease<br><b>6.00%</b> | Rate Assumption<br><b>7.00%</b> | 1% Increase<br><b>8.00%</b> |
| Total Pension Liability (TPL)       | \$106,165,441               | \$93,806,004                    | \$83,651,061                |
| Net Pension Restricted for Pensions | 48,252,081                  | 48,252,081                      | 48,252,081                  |
| Net Pension Liability (NPL)         | \$57,913,360                | \$45,553,923                    | \$35,398,980                |

Police fiduciary net position as a percentage of the total pension liability 51.44%

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

### 6. Pension Expense and Deferred Inflows and Outflows of Resources Related to Pension

For the year ended September 30, 2016, the City recognized pension expense of \$16,651,230 in the Police and Fire Funds. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

|  | Fire Fund                            |                                     |
|--|--------------------------------------|-------------------------------------|
|  | Deferred<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources |
| Differences in experience                                  | \$ -                                 | \$ (275,306)                        |
| Changes in assumption                                      | 9,920,843                            | -                                   |
| Difference between projected and actual investment returns | 3,924,077                            | -                                   |
| Total  | \$ 13,844,920                        | \$ (275,306)                        |

|  | Police Fund                          |                                     |
|--|--------------------------------------|-------------------------------------|
|  | Deferred<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources |
| Differences in experience                                  | \$ -                                 | \$ (107,150)                        |
| Changes in assumption                                      | 6,369,727                            | -                                   |
| Difference between projected and actual investment returns | 2,764,573                            | -                                   |
| Total  | \$ 9,134,300                         | \$ (107,150)                        |

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

|   |   |
|---|---|
| Fire Fund<br>Year ending<br><u>September 30</u> | Net Deferred<br>Outflows of<br><u>Resources</u> |
| 2017  | \$4,104,622                                     |
| 2018  | 4,104,622                                       |
| 2019  | 4,161,210                                       |
| 2020  | <u>1,199,160</u>                                |
| Total   | <u>\$13,569,614</u>                             |

|   |   |
|---|---|
| Police Fund<br>Year ending<br><u>September 30</u> | Net Deferred<br>Outflows of<br><u>Resources</u> |
| 2017  | \$2,700,883                                     |
| 2018  | 2,700,883                                       |
| 2019  | 2,717,369                                       |
| 2020  | <u>908,015</u>                                  |
| Total   | <u>\$9,027,150</u>                              |

Deferred inflows of resources are being amortized over a closed period equal to the average of the expected service lives of all employees as of the beginning of each measurement period. The deferred outflows of resources related to the difference between expected and actual investment earnings is being amortized over a closed five year period.

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

The City's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. Administration costs are financed by the revenues of the Police and Firefighters' Retirement Funds.

There were no long-term contracts for contributions outstanding on September 30, 2016.

Although the assets of the plans are commingled for investment purposes, each plan's assets may be used only for the payment of benefits to the members of that plan, in accordance with the terms of the plan.

**7. Statements of Fiduciary Net Position for the Firefighters' and Police Retirement Funds as of September 30, 2016 are as follows:**

|                                   | <u>Firefighters'<br/>Retirement Fund</u> | <u>Police<br/>Retirement Fund</u> | <u>Total</u>          |
|-----------------------------------|--|-----------------------------------|-----------------------|
| <b>ASSETS</b>                     |  |                                   |                       |
| Accrued interest                  | \$ 177,235                               | \$ 119,217                        | \$ 296,452            |
| Investments                       | 72,609,189                               | 48,840,714                        | 121,449,903           |
| Capital assets                    | 6,987                                    | 4,700                             | 11,687                |
| Accumulated depreciation          | <u>(6,987)</u>                           | <u>(4,700)</u>                    | <u>(11,687)</u>       |
| <b>Total Assets</b>               | <u>72,786,424</u>                        | <u>48,959,931</u>                 | <u>121,746,355</u>    |
| <b>LIABILITIES</b>                |  |                                   |                       |
| Accrued payroll and payroll taxes | 14,585                                   | 9,727                             | 24,312                |
| Due to other funds                | <u>1,037,867</u>                         | <u>698,123</u>                    | <u>1,735,990</u>      |
| <b>Total Liabilities</b>          | <u>1,052,452</u>                         | <u>707,850</u>                    | <u>1,760,302</u>      |
| <b>NET POSITION</b>               |  |                                   |                       |
| Net position held in trust        | <u>71,733,972</u>                        | <u>48,252,081</u>                 | <u>119,986,053</u>    |
| <b>Total Net Position</b>         | <u>\$ 71,733,972</u>                     | <u>\$ 48,252,081</u>              | <u>\$ 119,986,053</u> |

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

8. *Statements of Changes in Fiduciary Net Position for the year ended September 30, 2016 are as follows:*

|  | <u>Firefighters'<br/>Retirement Fund</u> | <u>Police<br/>Retirement Fund</u> | <u>Total</u>          |
|--|--|-----------------------------------|-----------------------|
| <b>ADDITIONS</b>                       |  |                                   |                       |
| Contributions:                         |  |                                   |                       |
| City                                   | \$ 5,226,250                             | \$ 3,812,192                      | \$ 9,038,442          |
| Employee                               | 1,212,139                                | 341,495                           | 1,553,634             |
| Net investment income:                 |  |                                   |                       |
| Interest and dividends                 | <u>4,266,438</u>                         | <u>2,850,982</u>                  | <u>7,117,420</u>      |
| <b>Total additions</b>                 | <u>10,704,827</u>                        | <u>7,004,669</u>                  | <u>17,709,496</u>     |
| <b>DEDUCTIONS</b>                      |  |                                   |                       |
| Current:                               |  |                                   |                       |
| Policy development and administration: |  |                                   |                       |
| Travel                                 | 2,743                                    | 1,833                             | 4,576                 |
| Intragovernmental                      | 28,957                                   | 19,349                            | 48,306                |
| Utilities, services, and miscellaneous | 37,252                                   | 24,893                            | 62,145                |
| Pension benefits                       | 7,786,819                                | 4,417,623                         | 12,204,442            |
| Refund of employees' contributions     | <u>143,946</u>                           | <u>99,507</u>                     | <u>243,453</u>        |
| <b>Total deductions</b>                | <u>7,999,717</u>                         | <u>4,563,205</u>                  | <u>12,562,922</u>     |
| Change in net position                 | 2,705,110                                | 2,441,464                         | 5,146,574             |
| NET POSITION - BEGINNING               | <u>69,028,862</u>                        | <u>45,810,617</u>                 | <u>114,839,479</u>    |
| NET POSITION - ENDING                  | <u>\$ 71,733,972</u>                     | <u>\$ 48,252,081</u>              | <u>\$ 119,986,053</u> |

### *DROP*

The Deferred Retirement Option Program (DROP), implemented on August 21, 2007, is a program that allows qualified employees to retire without terminating their employment for up to 5 years while their retirement benefits accumulate and earn interest compounded monthly at an effective annual rate of 4.0% for DROP members with an effective DROP date on or before September 1, 2012, and 2% for DROP members with an effective DROP date after September 1, 2012. This program is available to eligible active members of the Columbia Police Department or the Columbia Fire Department who are in the Police Retirement Fund or Firefighters' Retirement Fund, respectively. DROP participants are still eligible for COLA increases. Employer and member contributions continue to be made while the member participates in the DROP. Member contributions are not deposited to the member's DROP account.

Eligible members of the Police Retirement Fund or Firefighters' Retirement Fund may participate in DROP when vested and they have reached their normal retirement date. In most cases an employee's normal retirement date is when vested and upon reaching age 65, or when they have completed 20 years of service, regardless of their age.

DROP eligibility begins the first month an employee reaches their normal retirement date. DROP participants must have written authorization from their employer and approval by the Administrator. In no event may the DROP period exceed 60 months.



# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

If the qualified employee fails to terminate employment at the end of the DROP period, both the retirement and DROP participation will be voided, and the employer must pay any additional contributions that may be required to establish service credit for the time the participant was in DROP.

Changes in the DROP balance in fiscal year 2016 were:

| Year<br>Ended<br>September 30 | Balance at<br>Beginning<br>of Year | Credits   | Interest | Distributions | Adjustments | Balance at<br>End of<br>Year |
|-------------------------------|------------------------------------|-----------|----------|---------------|-------------|------------------------------|
| 2016                          | \$2,113,318                        | \$676,717 | \$54,908 | \$1,713,436   | \$0         | \$1,131,507                  |

### B. LAGERS

#### 1. General Information about the Pension Plan

##### *Benefits Provided:*

LAGERS provides retirement, death and disability benefits. Participants in the LAGERS plan become fully vested after five years of service. Participants are eligible for a monthly defined service retirement benefit with full benefits for general and utility employees at age sixty. Actuarially reduced benefits are available for general and utility employees at age fifty-five. An alternate unreduced retirement provision is available based on age and service totaling 80 years. LAGERS also provides disability and death benefits.

#### 2016 Valuation

|                       |         |
|-----------------------|---------|
| Benefit Multiplier:   | 2.00%   |
| Final Average Salary: | 3 Years |
| Member Contributions: | 0%      |

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

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

|  | <b>LAGERS</b> |
|--|---------------|
| Number of participants:  |               |
| Inactive employees or beneficiaries currently receiving benefits | 621           |
| Inactive employees entitled to but not yet receiving benefits    | 293           |
| Active members   | 998           |
|  | 1,912         |
|  | 1,912         |

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

### *Contributions:*

The LAGERS 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 employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. Employer contribution rates are 15.1% General and 17.0% Utility.

### *Net Pension Liability:*

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

### *Actuarial Assumptions:*

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

Wage Inflation 3.25%  
Salary Increase 3.25% to 6.55% including inflation  
Investment rate of return: 7.25%

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 postretirement mortality, were the RP-2014 disabled mortality for males and females. The preretirement mortality tables used were the RP-2014 employees mortality table for males and females. Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

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

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

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|--------------------|--------------------------|---|
| Equity             | 43.00%                   | 5.29%   |
| Fixed Income       | 26.00%                   | 2.23%   |
| Real Assets        | 21.00%                   | 3.31%   |
| Strategic Assets   | 10.00%                   | 5.73%   |

*Discount rate:*

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

### 2. Changes in the Net Pension Liability

a: General/Utility division:

|   | <u>Increase (Decrease)</u>     |                                    |                              |
|---|--------------------------------|------------------------------------|------------------------------|
|   | <u>Total Pension Liability</u> | <u>Plan Fiduciary Net Position</u> | <u>Net Pension Liability</u> |
|   | <u>(a)</u>                     | <u>(b)</u>                         | <u>(a)-(b)</u>               |
| <b>Balances at 9/30/2015</b>                      | <u>\$253,348,057</u>           | <u>\$261,746,924</u>               | <u>\$ (8,398,867)</u>        |
| <b>Changes for the year:</b>                      |                                |                                    |                              |
| Service Cost                                      | 5,688,991                      | -                                  | 5,688,991                    |
| Interest  | 18,155,342                     | -                                  | 18,155,342                   |
| Difference between expected and actual experience | (4,815,293)                    | -                                  | (4,815,293)                  |
| Changes of assumptions                            | 9,162,647                      | -                                  | 9,162,647                    |
| Contributions-employer                            | -                              | 7,633,688                          | (7,633,688)                  |
| Contributions-employee                            | -                              | 14,539                             | (14,539)                     |
| Net investment income                             | -                              | (340,762)                          | 340,762                      |
| Benefit payments, including refunds               | (11,652,442)                   | (11,652,442)                       | -                            |
| Administrative expense                            | -                              | (156,560)                          | 156,560                      |
| Other changes                                     | -                              | (1,607,091)                        | 1,607,091                    |
| <b>Net changes</b>                                | <u>16,539,245</u>              | <u>(6,108,628)</u>                 | <u>22,647,873</u>            |
| <b>Balances at 9/30/2016</b>                      | <u>\$269,887,302</u>           | <u>\$255,638,296</u>               | <u>\$14,249,006</u>          |

The amounts reported as changes in assumptions were primarily from changes to the mortality table, as well as salary increases and inflation.

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

*Sensitivity of the net pension liability to changes in the discount rate:*

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

|                               | <b>General/Utility Division</b> |                        |                       |
|-------------------------------|---------------------------------|------------------------|-----------------------|
|                               | <b>Current Single Discount</b>  |                        |                       |
|                               | <b>1% Decrease</b>              | <b>Rate Assumption</b> | <b>1% Increase</b>    |
|                               | <b>6.25%</b>                    | <b>7.25%</b>           | <b>8.25%</b>          |
| Total Pension Liability (TPL) | \$308,553,861                   | \$269,887,302          | \$238,200,991         |
| Plan Fiduciary Net Position   | 255,638,296                     | 255,638,296            | 255,638,296           |
| Net Pension Liability/(Asset) | <u>\$52,915,565</u>             | <u>\$14,249,006</u>    | <u>(\$17,437,305)</u> |

Net position as a percentage of the total pension liability 94.72%

### **3. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension**

For the year ended September 30, 2016, the City recognized pension expense of \$13,637,931. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

|  | <b>General/Utility Division</b> |                       |
|--|---------------------------------|-----------------------|
|  | <b>Deferred</b>                 | <b>Deferred</b>       |
|  | <b>Outflows</b>                 | <b>Inflows</b>        |
|  | <b>of Resources</b>             | <b>of Resources</b>   |
| Differences in experience                                  | \$ -                            | \$ (5,867,109)        |
| Changes in assumption                                      | 7,529,242                       | -                     |
| Difference between projected and actual investment returns | 23,500,081                      | -                     |
| Contributions subsequent to the measurement date*          | 2,049,823                       | -                     |
| Total  | <u>\$ 33,079,146</u>            | <u>\$ (5,867,109)</u> |

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

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

| <b>General/Utility Division</b> | <b>Net Deferred</b> |
|---------------------------------|---------------------|
| <b>Year ending</b>              | <b>Outflows of</b>  |
| <b>September 30</b>             | <b>Resources</b>    |
| 2017                            | \$6,815,711         |
| 2018                            | 6,815,711           |
| 2019                            | 6,815,713           |
| 2020                            | 4,255,120           |
| 2021                            | <u>459,959</u>      |
| Total                           | <u>\$25,162,214</u> |

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

Deferred inflows of resources are being amortized over a closed period equal to the average of the expected service lives of all employees as of the beginning of each measurement period. The deferred outflows of resources related to the difference between expected and actual investment earnings is being amortized over a closed five year period.

### G. 401(a) Retirement Plan

The City sponsors and administers, through a contract with Boone County National Bank, a 401(a) plan which is a defined contribution plan established to provide benefits at retirement to permanent employees of the City. At September 30, 2016, there were 1,314 plan members. The City will contribute to the plan on behalf of each participant an amount equal to 2.0% of the participant's salary contingent upon the participant making a matching contribution to a Section 457 deferred compensation plan. For the year ended September 30, 2016, the City contributed \$797,274 to the plan. Plan provisions and contribution requirements are established and may be amended by the City Council.

### H. Post Employment Health Plan (PEHP)

Beginning with the fiscal year ended September 30, 2010, the City no longer makes contributions towards the employee post employment health plan. However, employees who terminate employment after 10 or more years of service may be eligible to convert unused sick leave hours (at the rate of \$2.00 for every hour of final accumulated sick leave) for deposit into the employee's PEHP account. For the year ended September 30, 2016, \$71,836 was contributed to the plan.

### I. Other Post Employment Benefits (OPEB)

#### *Plan Description*

The City of Columbia post employment Health Plan is a single employer defined benefit plan that is self funded. The Plan provides medical and prescription drug benefits to eligible retirees and their dependents. Eligible non-Medicare retirees receive health care coverage through a self-insured Point-of-Service plan offered through United Healthcare. Eligible Medicare retirees receive health care coverage through a fully-insured Medicare Supplement Plan F and a Part D Rx plan offered through United American.

As of October 1, 2014, the date of the latest actuarial valuation, plan membership consisted of the following:

|                             |              |
|-----------------------------|--------------|
| Retirees receiving benefits | 75           |
| Active members              | 1,338        |
| Total plan members          | <u>1,413</u> |

#### *Funding Policy*

The City recognizes requirements for other post employment benefits (OPEB) in accordance with GASB 45. In 2014, retiree premium subsidies were eliminated. Retirees now pay 100% of the premium to participate in the City's health plan or to purchase coverage under the fully insured Medicare supplement plan.

#### *Annual OPEB Cost and Net OPEB Obligation*

The City of Columbia's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and the changes on the City's net OPEB obligation (asset) to the post employment health plan:

|  |             |
|--|-------------|
| Annual Required Contribution                   | (\$126,898) |
| Interest on Net OPEB Obligation                | (28,927)    |
| Adjustment to Annual Required Contribution     | 58,837      |
| Annual OPEB Cost (Expense)                     | (96,988)    |
| Employer contributions                         | (345,380)   |
| Increase in Net OPEB Obligation (Asset)        | (442,368)   |
| Net OPEB Obligation (Asset)-October 1, 2015    | (413,244)   |
| Net OPEB Obligation (Asset)-September 30, 2016 | (\$855,612) |

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation (asset) for fiscal year 2016 and the preceding two years is as follows:

| <u>Fiscal Year Ended</u> | <u>Annual OPEB Cost</u> | <u>Percentage of Annual OPEB<br/>Cost Contributed</u> | <u>Net OPEB Obligation (Asset)</u> |
|--------------------------|-------------------------|---|------------------------------------|
| September 30, 2014       | \$91,744                | 19.99%  | \$73,215                           |
| September 30, 2015       | (\$132,197)             | 267.98%   | (\$413,244)                        |
| September 30, 2016       | (\$96,988)              | 356.10%   | (\$855,612)                        |

Financial statements for the OPEB plan are presented within this document. There are no separately issued financial statements for the OPEB plan.

### *Funded Status and Funding Progress*

As of October 1, 2014, the most recent valuation date, the plan was 205% funded. The actuarial accrued liability for benefits was \$1,465,000 and the actuarial value of assets is \$3,002,000 resulting in an unfunded actuarial accrued liability (asset) of \$(1,537,000). Covered payroll (annual payroll of active employees covered by the plan) is \$65,437,191 and the ratio of the unfunded actuarial accrued liability to the covered payroll is (2.3%)

### *Actuarial Methods and Assumptions*

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, will present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and included the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The initial unfunded actuarial accrued liability is being amortized over ten years. The actuarial methods and assumptions used

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Additional information as of the latest actuarial valuation follows:

|                            |                                |  |
|----------------------------|--------------------------------|--|
| Valuation date             | October 1, 2014                |  |
| Actuarial cost method      | Projected unit credit          |  |
| Amortization method        | Level dollar, open over 10 yrs |  |
| Asset valuation method     | Market Value                   |  |
| Actuarial assumptions:     |                                |  |
| Investment rate of return  | 7% *                           |  |
| Projected salary increases | 4%                             |  |
| Healthcare cost trend rate | 9.5% initially                 |  |
|                            | 5% ultimate                    |  |

\* Based on the expected long term investment return of the employer's own investments used to pay plan benefits.

**Statement of Fiduciary Net Position for OPEB as of September 30, 2016 is as follows:**

|                            | <u>OPEB</u>                |
|----------------------------|----------------------------|
| <b>ASSETS</b>              |                            |
| Cash and cash equivalents  | \$ 505,427                 |
| Accrued interest           | 863                        |
| Investments                | <u>2,689,471</u>           |
| <b>Total Assets</b>        | <u>3,195,761</u>           |
| <b>NET POSITION</b>        |                            |
| Net position held in trust | <u>3,195,761</u>           |
| <b>Total Net Position</b>  | <u><u>\$ 3,195,761</u></u> |

# CITY OF COLUMBIA, MISSOURI

## Notes to the Basic Financial Statements September 30, 2016

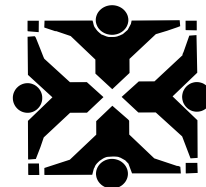
Statement of Changes in Fiduciary Net Position for OPEB the year ended September 30, 2016 is as follows:

|   | <u>OPEB</u>         |
|---|---------------------|
| <b>ADDITIONS</b>  |                     |
| Contributions:  |                     |
| City  | \$ -                |
| Net investment income:  |                     |
| Interest and dividends (includes net appreciation in fair value of investments) | <u>253,998</u>      |
| <b>Total additions</b>  | <u>253,998</u>      |
| <b>DEDUCTIONS</b>   |                     |
| Current:  |                     |
| Policy development and administration:  |                     |
| Utilities, services, and miscellaneous  | <u>1,000</u>        |
| <b>Total deductions</b>   | <u>1,000</u>        |
| Change in net position  | 252,998             |
| NET POSITION BEGINNING  | <u>2,942,763</u>    |
| NET POSITION ENDING   | <u>\$ 3,195,761</u> |



CITY OF COLUMBIA, MISSOURI

# **REQUIRED SUPPLEMENTARY INFORMATION**



**CITY OF COLUMBIA, MISSOURI  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

|   | <u>Budgeted Amounts</u> |                     | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget</u> |
|---|-------------------------|---------------------|---------------------------|---------------------------------------|
|   | <u>Original</u>         | <u>Final</u>        |                           |                                       |
| <b>REVENUES:</b>                                      |                         |                     |                           |                                       |
| General property taxes                                | 7,701,927               | 7,701,927           | 7,898,843                 | 196,916                               |
| Sales tax   | 23,781,641              | 23,781,641          | 23,321,470                | (460,171)                             |
| Other local taxes                                     | 12,692,713              | 12,692,713          | 11,641,679                | (1,051,034)                           |
| Licenses and permits                                  | 1,025,400               | 1,025,400           | 1,031,218                 | 5,818                                 |
| Fines   | 1,930,500               | 1,930,500           | 1,805,859                 | (124,641)                             |
| Fees and service charges                              | 2,490,038               | 2,490,038           | 3,251,931                 | 761,893                               |
| Intragovernmental revenue                             | 20,311,271              | 20,311,271          | 4,407,469                 | (15,903,802)                          |
| Revenue from other governmental units                 | 4,271,381               | 4,934,917           | 4,119,790                 | (815,127)                             |
| Investment revenue                                    | 661,584                 | 661,584             | 699,133                   | 37,549                                |
| Miscellaneous revenue                                 | 959,899                 | 971,760             | 1,215,312                 | 243,552                               |
| <b>TOTAL REVENUES</b>                                 | <b>75,826,354</b>       | <b>76,501,751</b>   | <b>59,392,704</b>         | <b>(17,109,047)</b>                   |
| <b>EXPENDITURES:</b>                                  |                         |                     |                           |                                       |
| Current:  |                         |                     |                           |                                       |
| Policy development and administration:                |                         |                     |                           |                                       |
| City Council  | 253,526                 | 312,637             | 194,190                   | 118,447                               |
| City Clerk  | 301,269                 | 356,117             | 271,400                   | 84,717                                |
| City Manager  | 1,585,680               | 1,788,425           | 1,571,500                 | 216,925                               |
| Election  | 126,600                 | 328,765             | 322,964                   | 5,801                                 |
| Financial Services                                    | 4,561,951               | 4,803,539           | 4,256,087                 | 547,452                               |
| Human Resources                                       | 1,199,661               | 1,268,185           | 1,068,609                 | 199,576                               |
| City Counselor  | 1,311,853               | 1,395,248           | 1,142,651                 | 252,597                               |
| Public Works Administration                           | 1,997,194               | 1,984,132           | 1,633,420                 | 350,712                               |
| Miscellaneous nonprogrammed activities                | 750,867                 | 795,874             | 218,381                   | 577,493                               |
| Total policy development and administration           | <u>12,088,601</u>       | <u>13,032,922</u>   | <u>10,679,202</u>         | <u>2,353,720</u>                      |
| Public safety:  |                         |                     |                           |                                       |
| Police  | 21,953,455              | 23,162,311          | 21,296,594                | 1,865,717                             |
| City Prosecutor                                       | 691,630                 | 691,904             | 559,874                   | 132,030                               |
| Fire  | 17,418,747              | 17,840,407          | 17,336,359                | 504,048                               |
| Animal Control  | 708,261                 | 722,425             | 681,775                   | 40,650                                |
| Municipal Court                                       | 989,091                 | 1,084,364           | 905,282                   | 179,082                               |
| Joint Communications                                  | 1,104,449               | 1,145,489           | 644,560                   | 500,929                               |
| Total public safety                                   | <u>42,865,633</u>       | <u>44,646,900</u>   | <u>41,424,444</u>         | <u>3,222,456</u>                      |
| Transportation:                                       |                         |                     |                           |                                       |
| Streets and Sidewalks                                 | 7,912,790               | 9,065,702           | 7,087,996                 | 1,977,706                             |
| Street Lighting                                       | 229,000                 | -                   | -                         | -                                     |
| Traffic   | 1,271,823               | 1,576,627           | 1,237,658                 | 338,969                               |
| Total transportation                                  | <u>9,413,613</u>        | <u>10,642,329</u>   | <u>8,325,654</u>          | <u>2,316,675</u>                      |
| Health and environment:                               |                         |                     |                           |                                       |
| Health Services                                       | 5,006,626               | 5,794,222           | 4,877,788                 | 916,434                               |
| Planning  | 4,147,237               | 5,135,296           | 3,883,348                 | 1,251,948                             |
| Department of Economic Development                    | 553,849                 | 607,111             | 570,355                   | 36,756                                |
| Miscellaneous nonprogrammed activities                | 98,770                  | 104,690             | 28,726                    | 75,964                                |
| Total health and environment                          | <u>9,806,482</u>        | <u>11,641,319</u>   | <u>9,360,217</u>          | <u>2,281,102</u>                      |
| Personal development:                                 |                         |                     |                           |                                       |
| Parks and Recreation                                  | 5,953,975               | 6,072,904           | 5,729,928                 | 342,976                               |
| Cultural Affairs                                      | 540,105                 | 581,163             | 521,181                   | 59,982                                |
| Office of Community Services                          | 748,432                 | 862,317             | 749,448                   | 112,869                               |
| Social Assistance                                     | 893,556                 | 1,195,460           | 874,554                   | 320,906                               |
| Miscellaneous nonprogrammed activities                | 87,848                  | 93,114              | 25,549                    | 67,565                                |
| Total personal development                            | <u>8,223,916</u>        | <u>8,804,958</u>    | <u>7,900,660</u>          | <u>904,298</u>                        |
| <b>TOTAL EXPENDITURES</b>                             | <b>82,398,245</b>       | <b>88,768,428</b>   | <b>77,690,177</b>         | <b>11,078,251</b>                     |
| <b>DEFICIENCY OF REVENUES OVER<br/>EXPENDITURES</b>   | <b>(6,571,891)</b>      | <b>(12,266,677)</b> | <b>(18,297,473)</b>       | <b>(6,030,796)</b>                    |
| <b>OTHER FINANCING SOURCES (USES):</b>                |                         |                     |                           |                                       |
| Transfers from other funds                            | 8,349,861               | 9,271,426           | 24,987,499                | 15,716,073                            |
| Transfers to other funds                              | (2,427,219)             | (2,429,157)         | (2,282,132)               | 147,025                               |
| Appropriation of prior year fund balance              | 649,249                 | 649,249             | 649,249                   | -                                     |
| <b>TOTAL OTHER FINANCING SOURCES</b>                  | <b>6,571,891</b>        | <b>7,491,518</b>    | <b>23,354,616</b>         | <b>15,863,098</b>                     |
| <b>NET CHANGE IN FUND BALANCE</b>                     | <b>-</b>                | <b>(4,775,159)</b>  | <b>5,057,143</b>          | <b>9,832,302</b>                      |
| Effect of appropriation of prior year<br>fund balance | (649,249)               | (649,249)           | (649,249)                 | -                                     |
| <b>FUND BALANCE, BEGINNING OF PERIOD</b>              | <b>30,504,166</b>       | <b>30,504,166</b>   | <b>30,504,166</b>         | <b>-</b>                              |
| <b>FUND BALANCE, END OF PERIOD</b>                    | <b>29,854,917</b>       | <b>25,079,758</b>   | <b>34,912,060</b>         | <b>9,832,302</b>                      |

See Note to the Required Supplementary Information.

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# **CITY OF COLUMBIA, MISSOURI**

## **Required Supplementary Information Notes to the Budgetary Comparison Schedule For The Year Ended September 30, 2016**

### **Budgetary Information**

An annual budget prepared under the modified accrual basis of accounting is adopted in September prior to the beginning of each fiscal year for all revenues and expenditures of the General Fund of the City. Accordingly, the budget schedule presents actual expenditures in accordance with accounting principles generally accepted in the United States of America. The primary basis of budgetary control is at the department level. Departments may not legally exceed their total appropriation without City Council approval. A review of the current year's budget is made by the departments in September of each year and interdepartmental transfers are made with City Council approval. Any remaining unencumbered appropriations lapse at fiscal year end. Any increase in appropriations during the fiscal year must be approved by the City Council. During the current budget year, supplemental budget appropriations were necessary to approve funding for new grant programs, as well as other approved City programs. These appropriations increased the General Fund budget by \$6,370,183 and this increase is reflected in the final budgeted amounts in the accompanying required supplemental information.

Project budgets prepared under the modified accrual basis of accounting are adopted for the Capital Projects Fund. All projects remain appropriated until completed or until the City Council decides to eliminate the project. The Debt Service Funds are controlled by related bond ordinances. Special Revenue Funds with legally adopted annual budgets are: Convention and Tourism Fund, Public Improvement Fund, Capital Improvement Sales Tax Fund, Park Sales Tax Fund, Contributions Fund, Non-Motorized Grant Fund, Stadium TDD's, Mid Mo Solid Waste Mgt District Fund and the Transportation Sales Tax Fund.

**CITY OF COLUMBIA, MISSOURI**  
**Required Supplementary Information**  
**Schedule of Funding Progress**

| <b>OPEB</b>                     |                                  |  |  |                     |                               |  |
|---------------------------------|----------------------------------|--|--|---------------------|-------------------------------|--|
| <b>Actuarial valuation date</b> | <b>Actuarial value of assets</b> | <b>Projected-unit credit actuarial accrued liability</b> | <b>Unfunded actuarial liability (asset) (UAAL)</b> | <b>Funded ratio</b> | <b>Annual covered payroll</b> | <b>UAAL as a percentage of covered payroll</b> |
| 10/1/2010                       | 1,236,000                        | 4,817,000  | 3,581,000  | 26%                 | 55,586,129                    | 6.4%   |
| 10/1/2012                       | 2,155,000                        | 2,095,000  | (60,000)   | 103%                | 57,823,146                    | (0.10%)  |
| 10/1/2014                       | 3,002,000                        | 1,465,000  | (1,537,000)  | 205%                | 65,437,191                    | (2.30%)  |

The valuation date is October 1, 2014.

**Schedule of Employer Contributions**  
**OPEB**

| <b>Year ended September 30</b> | <b>Annual required contributions</b> | <b>Percent contributed</b> | <b>Net OPEB obligation (asset)</b> |
|--------------------------------|--------------------------------------|----------------------------|------------------------------------|
| 2014                           | 91,744                               | 19.99%                     | 73,215                             |
| 2015                           | (132,197)                            | 267.98%                    | (413,244)                          |
| 2016                           | (96,988)                             | 356.10%                    | (855,612)                          |

Note: The significant assumptions for the OPEB plan are as follows:

| <b>OPEB</b>                   |                                |
|-------------------------------|--------------------------------|
| Actuarial cost method         | projected unit credit          |
| Amortization method           | level dollar, open             |
| Remaining amortization period | 10 years                       |
| Asset valuation method        | market value                   |
| Actuarial assumptions:        |                                |
| Investment rate of return     | 7%                             |
| Projected salary increases *  | 4%                             |
| * Includes inflation at       | -                              |
| Benefit increases             | -                              |
| Healthcare cost trend rate    | 9.5% initially and 5% ultimate |

**CITY OF COLUMBIA, MISSOURI**  
**Required Supplementary Information**  
**SCHEDULE OF CHANGES IN THE EMPLOYERS NET PENSION LIABILITY**  
**LAGERS (General and Utility Divisions)**  
**FOR THE LAST TWO FISCAL YEARS\***

| Fiscal year ending September 30,  | <u>2016</u>           | <u>2015</u>           |
|---|-----------------------|-----------------------|
| <b>Total Pension Liability</b>  |                       |                       |
| Service Cost  | \$ 5,688,991          | \$ 5,575,446          |
| Interest on the Total Pension Liability   | 18,155,342            | 17,515,917            |
| Benefit Changes   | -                     | -                     |
| Differences Between Expected and Actual Experience                                  | (4,815,293)           | (2,949,734)           |
| Changes of Assumptions  | 9,162,647             | -                     |
| Benefit Payments, Including Refunds of Member Contributions                         | <u>(11,652,442)</u>   | <u>(11,112,523)</u>   |
| <b>Net Change in Total Pension Liability</b>  | 16,539,245            | 9,029,106             |
| <b>Total Pension Liability - Beginning</b>  | <u>253,348,057</u>    | <u>244,318,951</u>    |
| <b>Total Pension Liability - Ending</b>   | <u>\$ 269,887,302</u> | <u>\$ 253,348,057</u> |
| <br>  |                       |                       |
| <b>Plan Fiduciary Net Position</b>  |                       |                       |
| Contributions - Employer  | \$ 7,633,688          | \$ 8,135,287          |
| Contributions - Employee  | 14,539                | -                     |
| Net Investment Income   | (340,762)             | 5,105,889             |
| Benefit Payments, Including Refunds of Member Contributions                         | (11,652,442)          | (11,112,523)          |
| Administrative Expense  | (156,560)             | (169,259)             |
| Other   | <u>(1,607,091)</u>    | <u>(1,830,332)</u>    |
| <b>Net Change in Plan Fiduciary Net Position</b>                                    | (6,108,628)           | 129,062               |
| <b>Plan Net Position - Beginning</b>  | <u>261,746,924</u>    | <u>261,617,862</u>    |
| <b>Plan Net Position - Ending</b>   | <u>255,638,296</u>    | <u>261,746,924</u>    |
| <br>  |                       |                       |
| <b>Employer's Net Pension Liability</b>   | <u>14,249,006</u>     | <u>(8,398,867)</u>    |
| <br>  |                       |                       |
| <b>Plan fiduciary net position as a percentage of the total pension liability</b>   | 94.72%                | 103.32%               |
| <br>  |                       |                       |
| <b>Covered-employee payroll</b>   | \$ 47,029,728         | \$ 45,696,354         |
| <br>  |                       |                       |
| <b>Employer's net pension liability as a percentage of covered-employee payroll</b> | 30.30%                | (18.38%)              |

\*Information for prior years is not available; amounts presented for the year end were determined as of June 30, the measurement date.

**CITY OF COLUMBIA, MISSOURI**  
**Required Supplementary Information**  
**SCHEDULE OF CONTRIBUTIONS**  
**LAGERS (General and Utility Divisions)**  
**LAST TEN FISCAL YEARS**

| FY Ending<br>September 30, | Actuarially<br>Determined<br>Contribution | Contribution in<br>Relation to the<br>Actuarially<br>Required Contribution | Contribution<br>Deficiency<br>(Excess) | Covered<br>Payroll | Actual Contribution<br>as a % of<br>Covered Payroll |
|----------------------------|---|--|--|--------------------|---|
| 2016                       | \$ 7,801,471                              | \$ 7,801,471   | \$ 0                                   | \$ 49,814,131      | 15.66%  |
| 2015                       | 8,085,918                                 | 8,085,592  | 326                                    | 46,960,661         | 17.22%  |
| 2014                       | 8,384,318                                 | 8,037,243  | 347,075                                | 45,782,304         | 17.56%  |
| 2013                       | 8,422,709                                 | 7,909,632  | 513,077                                | 44,272,221         | 17.87%  |
| 2012                       | 7,996,358                                 | 7,196,952  | 799,406                                | 42,719,889         | 16.85%  |
| 2011                       | 8,024,400                                 | 6,716,311  | 1,308,089                              | 42,389,564         | 15.84%  |
| 2010                       | 6,231,312                                 | 6,231,313  | (1)                                    | 41,986,168         | 14.84%  |
| 2009                       | 6,011,583                                 | 6,011,582  | 1                                      | 41,047,618         | 14.65%  |
| 2008                       | 5,795,660                                 | 5,795,661  | (1)                                    | 39,005,285         | 14.86%  |
| 2007                       | 5,378,232                                 | 5,378,080  | 152                                    | 37,200,524         | 14.46%  |

Notes to Schedule of Contributions

Valuation Date:

The roll-forward of total pension liability from February 29, 2016 to June 30, 2016 reflects expected service cost and interest reduced by actual benefit payments and administrative expenses.

Methods and assumptions used to determine contribution rates:

|                               |  |
|-------------------------------|--|
| Valuation date                | February 29, 2016  |
| Actuarial cost method         | Entry-Age Normal and Modified Terminal Funding   |
| Amortization method           | Level Percentage of Payroll, Closed  |
| Remaining amortization period | Multiple bases from 13 to 26 years   |
| Asset valuation method        | 5-year smoothed market; 20% corridor   |
| Inflation                     | 3.25% wage inflation; 2.50% price inflation  |
| Salary increases              | 3.25% to 6.55% including wage inflation  |
| Investment rate of return     | 7.25%, net of administrative and investment expenses   |
| Retirement age                | Experience-based table of rates that are specific to the type of eligibility condition.  |
| Mortality                     | The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.<br><br>Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables. |
| Other information             | New assumptions adopted based on the 5-year experience study for the period March 1, 2010 through February 28, 2015.   |

**CITY OF COLUMBIA, MISSOURI**  
**Required Supplementary Information**  
**SCHEDULE OF THE NET PENSION LIABILITY**  
**LAGERS (General and Utility Divisions)**  
**FOR THE LAST TWO FISCAL YEARS\***

| <u>FY Ending<br/>September 30,</u> | <u>Total<br/>Pension<br/>Liability</u> | <u>Plan Net<br/>Position</u> | <u>Net Pension<br/>Liability (Asset)</u> | <u>Plan Net Position<br/>as a % of Total<br/>Pension Liability</u> | <u>Covered<br/>Payroll</u> | <u>Net Pension Liability<br/>as a % of<br/>Covered Payroll</u> |
|------------------------------------|--|------------------------------|--|--|----------------------------|--|
| 2015                               | \$ 253,348,057                         | \$ 261,746,924               | \$ (8,398,867)                           | 103.32%  | \$ 45,696,354              | (18.38%)   |
| 2016                               | 269,887,302                            | 255,638,296                  | 14,249,006                               | 94.72%   | 47,029,728                 | 30.30%   |

\*Information for prior years is not available



**CITY OF COLUMBIA, MISSOURI**  
**Required Supplementary Information**  
**SCHEDULE OF CHANGES IN THE EMPLOYERS NET PENSION LIABILITY**  
**PENSION TRUST FUNDS**  
**FOR THE LAST THREE FISCAL YEARS\***

Fiscal year ending September 30,

|   | Fire                  | Police               | Fire                  | Police               | Fire                  | Police               |
|---|-----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|
|   | 2016                  |                      | 2015                  |                      | 2014                  |                      |
| <b>Total Pension Liability</b>                              |                       |                      |                       |                      |                       |                      |
| Service Cost  | \$ 2,915,282          | \$ 1,786,078         | \$ 2,916,326          | \$ 1,731,740         | \$ 2,881,753          | \$ 1,815,459         |
| Interest on the Total Pension Liability                     | 9,051,984             | 6,070,042            | 8,741,128             | 5,839,052            | 8,359,275             | 5,614,050            |
| Benefit Changes   | -                     | -                    | 3,649                 | -                    | -                     | -                    |
| Differences Between Expected and Actual Experience          | (67,212)              | (58,757)             | (410,306)             | (113,748)            | -                     | -                    |
| Changes of Assumptions                                      | 12,883,084            | 8,226,357            | -                     | -                    | -                     | -                    |
| Benefit Payments, Including Refunds of Member Contributions | (7,930,765)           | (4,517,130)          | (6,280,290)           | (4,291,585)          | (6,053,587)           | (4,483,636)          |
| <b>Net Change in Total Pension Liability</b>                | <u>16,852,373</u>     | <u>11,506,590</u>    | <u>4,970,507</u>      | <u>3,165,459</u>     | <u>5,187,441</u>      | <u>2,945,873</u>     |
| <b>Total Pension Liability - Beginning</b>                  | <u>123,200,865</u>    | <u>82,299,414</u>    | <u>118,230,358</u>    | <u>79,133,955</u>    | <u>113,042,917</u>    | <u>76,188,082</u>    |
| <b>Total Pension Liability - Ending</b>                     | <u>\$ 140,053,238</u> | <u>\$ 93,806,004</u> | <u>\$ 123,200,865</u> | <u>\$ 82,299,414</u> | <u>\$ 118,230,358</u> | <u>\$ 79,133,955</u> |
| <b>Plan Fiduciary Net Position</b>                          |                       |                      |                       |                      |                       |                      |
| Contributions - Employer                                    | \$ 5,226,250          | \$ 3,812,192         | \$ 7,751,496          | \$ 5,486,784         | \$ 4,674,412          | \$ 3,245,420         |
| Contributions - Member                                      | 1,212,139             | 341,495              | 1,175,671             | 318,361              | 1,170,726             | 303,444              |
| Net Investment Income                                       | 4,266,438             | 2,850,982            | (282,312)             | (422,604)            | 5,395,826             | 4,251,737            |
| Benefit Payments, Including Refunds of Member Contributions | (7,930,765)           | (4,517,130)          | (6,280,290)           | (4,291,585)          | (6,053,587)           | (4,483,636)          |
| Administrative Expense                                      | (31,700)              | (21,182)             | (34,038)              | (22,706)             | (31,599)              | (21,406)             |
| Other   | (37,252)              | (24,893)             | (565,953)             | (377,519)            | (265,268)             | (885,742)            |
| <b>Net Change in Plan Fiduciary Net Position</b>            | <u>2,705,110</u>      | <u>2,441,464</u>     | <u>1,764,574</u>      | <u>690,731</u>       | <u>4,890,510</u>      | <u>2,409,817</u>     |
| <b>Plan Net Position - Beginning</b>                        | <u>69,028,862</u>     | <u>45,810,617</u>    | <u>67,264,288</u>     | <u>45,119,886</u>    | <u>62,373,778</u>     | <u>42,710,069</u>    |
| <b>Plan Net Position - Ending</b>                           | <u>\$ 71,733,972</u>  | <u>\$ 48,252,081</u> | <u>\$ 69,028,862</u>  | <u>\$ 45,810,617</u> | <u>\$ 67,264,288</u>  | <u>\$ 45,119,886</u> |
| <b>Employer's Net Pension Liability</b>                     | <u>\$ 68,319,266</u>  | <u>\$ 45,553,923</u> | <u>\$ 54,172,003</u>  | <u>\$ 36,488,797</u> | <u>\$ 50,966,070</u>  | <u>\$ 34,014,069</u> |

\*Information for prior years is not readily available

**CITY OF COLUMBIA, MISSOURI**  
**Required Supplementary Information**  
**SCHEDULE OF THE NET PENSION LIABILITY**  
**PENSION TRUST FUNDS**  
**FOR THE LAST THREE FISCAL YEARS\***

**FIRE**

| <b>FY Ending<br/>September 30,</b> | <b>Total<br/>Pension<br/>Liability</b> | <b>Plan Net<br/>Position</b> | <b>Net Pension<br/>Liability</b> | <b>Plan Net Position<br/>as a % of Total<br/>Pension Liability</b> | <b>Covered<br/>Payroll</b> | <b>Net Pension Liability<br/>as a % of<br/>Covered Payroll</b> |
|------------------------------------|--|------------------------------|----------------------------------|--|----------------------------|--|
| 2014                               | \$ 118,230,358                         | \$ 67,264,288                | \$ 50,966,070                    | 56.89%   | \$ 7,539,548               | 675.98%  |
| 2015                               | 123,200,865                            | 69,028,862                   | 54,172,003                       | 56.03%   | 7,753,834                  | 698.65%  |
| 2016                               | 140,053,238                            | 71,733,972                   | 68,319,266                       | 51.22%   | 8,056,819                  | 847.97%  |

**POLICE**

| <b>FY Ending<br/>September 30,</b> | <b>Total<br/>Pension<br/>Liability</b> | <b>Plan Net<br/>Position</b> | <b>Net Pension<br/>Liability</b> | <b>Plan Net Position<br/>as a % of Total<br/>Pension Liability</b> | <b>Covered<br/>Payroll</b> | <b>Net Pension Liability<br/>as a % of<br/>Covered Payroll</b> |
|------------------------------------|--|------------------------------|----------------------------------|--|----------------------------|--|
| 2014                               | \$ 79,133,955                          | \$ 45,119,886                | \$ 34,014,069                    | 57.02%   | \$ 8,276,896               | 410.95%  |
| 2015                               | 82,299,414                             | 45,810,617                   | 36,488,797                       | 55.66%   | 8,140,637                  | 448.23%  |
| 2016                               | 93,806,004                             | 48,252,081                   | 45,553,923                       | 51.44%   | 8,723,289                  | 522.21%  |

\*Information for prior years is not readily available

**CITY OF COLUMBIA, MISSOURI**  
**Required Supplementary Information**  
**SCHEDULE OF CONTRIBUTIONS**  
**PENSION TRUST FUNDS**  
**LAST TEN FISCAL YEARS**

**FIRE**

| <u>FY Ending<br/>September 30,</u> | <u>Actuarially<br/>Determined<br/>Contribution</u> | <u>Actual<br/>Contribution</u> | <u>Contribution<br/>Deficiency<br/>(Excess)</u> | <u>Covered<br/>Payroll</u> | <u>Actual Contribution<br/>as a % of<br/>Covered Payroll</u> |
|------------------------------------|--|--------------------------------|---|----------------------------|--|
| 2016                               | \$ 5,226,250                                       | \$ 5,226,250                   | -   | \$ 8,056,819               | 58.91%   |
| 2015                               | 4,751,496  | 7,751,496                      | (3,000,000)                                     | 7,753,834                  | 95.96%   |
| 2014                               | 4,674,412  | 4,674,412                      | -   | 7,539,548                  | 62.00%   |
| 2013                               | 4,382,296  | 4,382,296                      | -   | 7,209,301                  | 60.79%   |
| 2012                               | 3,995,869  | 3,995,869                      | -   | 7,170,923                  | 55.72%   |
| 2011                               | 3,598,321  | 3,598,321                      | -   | 7,251,272                  | 49.62%   |
| 2010                               | 3,330,409  | 3,330,409                      | -   | 7,216,527                  | 46.15%   |
| 2009                               | 3,098,617  | 3,098,617                      | -   | 6,996,192                  | 44.29%   |
| 2008                               | 2,853,109  | 2,853,109                      | -   | 6,719,424                  | 42.46%   |
| 2007                               | 2,759,165  | 2,759,165                      | -   | 6,358,006                  | 43.40%   |

**POLICE**

| <u>FY Ending<br/>September 30,</u> | <u>Actuarially<br/>Determined<br/>Contribution</u> | <u>Actual<br/>Contribution</u> | <u>Contribution<br/>Deficiency<br/>(Excess)</u> | <u>Covered<br/>Payroll</u> | <u>Actual Contribution<br/>as a % of<br/>Covered Payroll</u> |
|------------------------------------|--|--------------------------------|---|----------------------------|--|
| 2016                               | \$ 3,812,192                                       | \$ 3,812,192                   | -   | \$ 8,723,289               | 41.58%   |
| 2015                               | 3,486,784  | 5,486,784                      | (2,000,000)                                     | 8,140,637                  | 64.28%   |
| 2014                               | 3,245,420  | 3,245,420                      | -   | 8,276,896                  | 39.21%   |
| 2013                               | 3,243,455  | 3,243,455                      | -   | 8,279,852                  | 39.17%   |
| 2012                               | 3,153,367  | 3,153,367                      | -   | 8,475,940                  | 37.20%   |
| 2011                               | 3,033,164  | 3,033,164                      | -   | 8,549,787                  | 35.48%   |
| 2010                               | 2,693,152  | 2,693,152                      | -   | 8,285,768                  | 32.50%   |
| 2009                               | 2,549,967  | 2,549,967                      | -   | 8,198,959                  | 31.10%   |
| 2008                               | 2,520,373  | 2,520,373                      | -   | 7,912,481                  | 31.85%   |
| 2007                               | 2,232,864  | 2,232,864                      | -   | 7,435,393                  | 30.03%   |

**Notes to Schedule of Contributions**

Valuation Date:

The roll-forward of total pension liability from September 30, 2015 to September 30, 2016 reflects expected service cost and interest reduced by actual benefit payments. Actuarially determined contribution rates are calculated as of September 30, 2015 which is 1 year prior to the beginning of the fiscal year in which contributions are reported.

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

|                               |   |
|-------------------------------|---|
| Valuation date                | September 30, 2015  |
| Actuarial cost method         | Entry-Age Normal  |
| Amortization method           | Level Percentage of Payroll, Closed   |
| Remaining amortization period | 24 years  |
| Asset valuation method        | 4-year smoothed market; 25% corridor  |
| Inflation                     | 3.5% wage inflation; 3.00% price inflation  |
| Salary increases              | 0% to 10.3% (including 3.5% wage inflation)   |
| Investment rate of return     | 7.5%, net of administrative and investment expenses   |
| Retirement age                | Experience-based table of rates that are specific to the type of eligibility condition.   |
| Mortality                     | RP 2000 mortality table (the mortality rates for pre-retirement mortality are 50% of 1971 Group Annuity Mortality Table projected to 1984, set back 0 years for men and 6 years for women.) |

**Other information:**

Notes: The TPL as of September 30, 2016 was calculated using assumptions adopted from the October 31, 2010 - September 30, 2015 experience study (dated November 7, 2016.) In particular, an investment rate of return of 7.0%, a wage inflation assumption of 3.25% and a 30-year amortization period.

**CITY OF COLUMBIA, MISSOURI**  
**Required Supplementary Information**  
**SCHEDULE OF INVESTMENT RETURNS**  
**POLICE AND FIRE RETIREMENT FUND**  
**FOR THE LAST THREE FISCAL YEARS\***

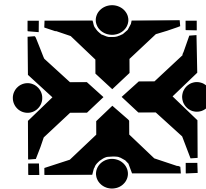
|  | <b>2016</b> | <b>Fiscal Year</b><br><b>2015</b> | <b>2014</b> |
|--|-------------|-----------------------------------|-------------|
| Annual Money-Weighted Rate of Return,<br>Net of Investment Expense | 10.67%      | (1.40%)                           | 7.49%       |

\*Information for prior years is not readily available

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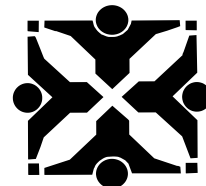
CITY OF COLUMBIA, MISSOURI

# SUPPLEMENTARY INFORMATION



CITY OF COLUMBIA, MISSOURI

**COMBINING FUND  
FINANCIAL STATEMENTS  
AND SCHEDULE**



## NON-MAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

**Non Motorized Grant Fund** - to account for federal grant monies reserved for non-motorized transportation projects.

**Mid MO Solid Waste Management District Fund** - to account for the operations of the MMSWMD funded by a state collected landfill fee. Operations are administered by the City per council approved agreement with the District.

**Convention and Tourism Fund** - to account for the four percent tax levied on the gross daily rental receipts due from or paid by transient guests at hotels or motels. The revenues are used by the City for the purpose of promoting convention and tourism in the City.

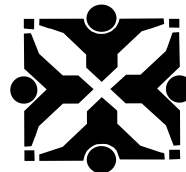
**Community Development Grant Fund** - to account for all federal monies received by the City and disbursed on Community Development Grant projects.

**Public Improvement Fund** - to account for and disburse monies the City receives from the City sales tax and voter-approved development fees. This fund receives a portion of the City sales tax which is allocated for a wide range of public improvements to the City including streets, sidewalks and parks. Development fees are used solely for construction of collector and arterial streets.

**Capital Improvement Sales Tax Fund** - to account for the 1/4 cent sales tax renewed by voters in August 2015, to be collected until December 31, 2025 for funding of capital improvement projects.

**Stadium TDD's Fund** - to account for receipts from the Stadium TDD's: Shoppes at Stadium, Columbia Mall and Stadium Corridor.

**Park Sales Tax Fund** - to account for the voter-approved, City-enacted 1/4 percent sales tax and expenditures for funding of local parks.





## **NON-MAJOR GOVERNMENTAL FUNDS**

### **Special Revenue Funds (continued)**

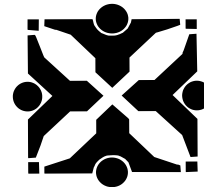
**Contributions Fund** - to account for all gifts, bequests, or other funds derived from property which may have been purchased or held in trust by or for the City of Columbia, Missouri.

**Transportation Sales Tax Fund** - to account for the voter approved, City-enacted sales tax and expenditures for transportation purposes which include financial support of the public mass transportation system, construction and maintenance of streets, roads, bridges, and airports to the extent of tax revenues.

### **Permanent Fund**

The Permanent Fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

**Designated Loan & Special Tax Bill Investment Fund** - to account for the purchase of all special assessment tax bills. The fund also makes loans and advances to other funds.



# NON-MAJOR GOVERNMENTAL FUNDS

## Debt Service Funds

The Debt Service Funds are used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the government is obligated in some manner for the payment.

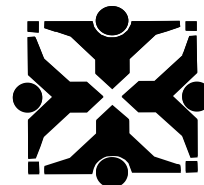
**2006B Special Obligation Bonds** - to accumulate monies for payment of Series 2006B \$25,615,000 5% Special Obligation Bonds with semi-annual installments of principal plus interest until maturity in 2016. Financing is to be provided by the Capital Improvement Sales Tax.

**2008B Special Obligation Bonds** - to accumulate monies for payment of Series 2008B \$26,795,000 4.3% Special Obligation Bonds with semi-annual installments of principal plus interest until maturity in 2028. Financing is to be provided by property tax and lease payments from enterprise funds. This series was refunded in 2016.

**Lemone Trust Note** - to accumulate monies for payment of the loan for the purchase of 2810 Lemone Industrial Blvd. (the IBM building.) The City assumed the obligation to pay this loan on December 31, 2010.

**Missouri Transportation Finance Corporation Loan** - to accumulate monies for payment of the loan for transportation improvements to the Stadium Boulevard corridor from Broadway to I-70. Financing is to be provided by contributions from the Columbia Mall and Stadium Corridor TDD's.

**2016 Special Obligation Refunding Bonds** - to refund the City's Special Obligation Bonds, Series 2008B.



**CITY OF COLUMBIA, MISSOURI  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2016**

| <b>ASSETS</b>   | <b>Special<br/>Revenue<br/>Funds</b> | <b>Debt<br/>Service<br/>Funds</b> | <b>Permanent<br/>Fund</b> | <b>Total Nonmajor<br/>Governmental<br/>Funds</b> |
|---|--------------------------------------|-----------------------------------|---------------------------|--|
| Cash and cash equivalents                                       | \$ 11,227,179                        | \$ 2,021,430                      | \$ 4,119,914              | \$ 17,368,523                                    |
| Accounts receivable   | 99,033                               | -                                 | -                         | 99,033   |
| Taxes receivable, net   | 3,607,401                            | -                                 | 880,414                   | 4,487,815  |
| Grants receivable   | 522,632                              | -                                 | -                         | 522,632  |
| Rehabilitation loans receivable, net                            | 7,171,856                            | -                                 | -                         | 7,171,856  |
| Prepaid expenses  | 3,018                                | -                                 | -                         | 3,018  |
| Accrued interest  | 35,580                               | 3,285                             | 161,865                   | 200,730  |
| Advances to other funds   | -                                    | -                                 | 3,777,485                 | 3,777,485  |
| Other assets  | 53,632                               | -                                 | -                         | 53,632   |
| Restricted assets:  |                                      |                                   |                           |  |
| Cash and cash equivalents                                       | 10,326,033                           | 1,337,108                         | -                         | 11,663,141                                       |
| <b>TOTAL ASSETS</b>   | <b>\$ 33,046,364</b>                 | <b>\$ 3,361,823</b>               | <b>\$ 8,939,678</b>       | <b>\$ 45,347,865</b>                             |
| <b>LIABILITIES, DEFERRED INFLOWS<br/>AND FUND BALANCE</b>       |                                      |                                   |                           |  |
| <b>LIABILITIES:</b>   |                                      |                                   |                           |  |
| Accounts payable  | \$ 106,482                           | \$ -                              | \$ -                      | \$ 106,482                                       |
| Accrued payroll and payroll taxes                               | 32,045                               | -                                 | -                         | 32,045   |
| Due to other funds  | 236,950                              | -                                 | -                         | 236,950  |
| Other liabilities   | 102,549                              | -                                 | 919                       | 103,468  |
| <b>TOTAL LIABILITIES</b>  | <b>478,026</b>                       | <b>-</b>                          | <b>919</b>                | <b>478,945</b>                                   |
| <b>DEFERRED INFLOWS OF RESOURCES:</b>                           |                                      |                                   |                           |  |
| Unavailable revenue-grants                                      | 227,746                              | -                                 | -                         | 227,746  |
| <b>TOTAL DEFERRED INFLOWS</b>                                   | <b>227,746</b>                       | <b>-</b>                          | <b>-</b>                  | <b>227,746</b>                                   |
| <b>FUND BALANCE:</b>  |                                      |                                   |                           |  |
| Nonspendable  | 3,018                                | -                                 | 1,500,000                 | 1,503,018  |
| Restricted  | 31,572,284                           | 1,360,739                         | -                         | 32,933,023                                       |
| Committed   | 557,098                              | 2,001,084                         | 7,438,759                 | 9,996,941  |
| Assigned  | 213,104                              | -                                 | -                         | 213,104  |
| Unassigned (deficit)  | (4,912)                              | -                                 | -                         | (4,912)  |
| <b>TOTAL FUND BALANCE</b>                                       | <b>32,340,592</b>                    | <b>3,361,823</b>                  | <b>8,938,759</b>          | <b>44,641,174</b>                                |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS<br/>AND FUND BALANCE</b> | <b>\$ 33,046,364</b>                 | <b>\$ 3,361,823</b>               | <b>\$ 8,939,678</b>       | <b>\$ 45,347,865</b>                             |

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**CITY OF COLUMBIA, MISSOURI  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
SEPTEMBER 30, 2016**

| <b>ASSETS</b>   | <b>Non<br/>Motorized<br/>Grant Fund</b> | <b>Mid Mo<br/>Solid Waste<br/>Mgmt Dist Fund</b> | <b>Convention<br/>and Tourism<br/>Fund</b> | <b>Community<br/>Development<br/>Grant Fund</b> |
|---|---|--|--|---|
| Cash and cash equivalents                                       | \$ -                                    | \$ 7,824   | \$ 1,676,940                               | \$ -  |
| Accounts receivable   | -                                       | -  | -  | -   |
| Taxes receivable, net   | -                                       | -  | 208,926                                    | -   |
| Grants receivable   | 74,990                                  | -  | -  | 447,642   |
| Rehabilitation loans receivable, net                            | -                                       | -  | -  | 7,171,856                                       |
| Prepaid expenses  | -                                       | -  | 3,018                                      | -   |
| Accrued interest  | -                                       | 11   | 7,114                                      | -   |
| Other assets  | -                                       | -  | -  | 53,632  |
| Restricted assets:  |   |  |  |   |
| Cash and cash equivalents                                       | -                                       | -  | 2,778,903                                  | -   |
| <b>TOTAL ASSETS</b>   | <b><u>\$ 74,990</u></b>                 | <b><u>\$ 7,835</u></b>                           | <b><u>\$ 4,674,901</u></b>                 | <b><u>\$ 7,673,130</u></b>                      |
| <b>LIABILITIES, DEFERRED INFLOWS<br/>AND FUND BALANCE</b>       |   |  |  |   |
| <b>LIABILITIES:</b>   |   |  |  |   |
| Accounts payable  | \$ 4,929                                | \$ 37  | \$ 83,410                                  | \$ 15,489                                       |
| Accrued payroll and payroll taxes                               | 4,316                                   | 3,514  | 20,262                                     | 3,953   |
| Due to other funds  | 65,745                                  | -  | -  | 85,139  |
| Other liabilities   | -                                       | -  | 101,702                                    | 847   |
| <b>TOTAL LIABILITIES</b>  | <b><u>74,990</u></b>                    | <b><u>3,551</u></b>                              | <b><u>205,374</u></b>                      | <b><u>105,428</u></b>                           |
| <b>DEFERRED INFLOWS OF RESOURCES:</b>                           |   |  |  |   |
| Unavailable revenue-grants                                      | 4,912                                   | -  | -  | 222,834   |
| <b>TOTAL DEFERRED INFLOWS</b>                                   | <b><u>4,912</u></b>                     | <b><u>-</u></b>                                  | <b><u>-</u></b>                            | <b><u>222,834</u></b>                           |
| <b>FUND BALANCE:</b>  |   |  |  |   |
| Nonspendable  | -                                       | -  | 3,018                                      | -   |
| Restricted  | -                                       | 4,284  | 4,466,509                                  | 7,344,868                                       |
| Committed   | -                                       | -  | -  | -   |
| Assigned  | -                                       | -  | -  | -   |
| Unassigned (deficit)  | (4,912)                                 | -  | -  | -   |
| <b>TOTAL FUND BALANCE (DEFICIT)</b>                             | <b><u>(4,912)</u></b>                   | <b><u>4,284</u></b>                              | <b><u>4,469,527</u></b>                    | <b><u>7,344,868</u></b>                         |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS<br/>AND FUND BALANCE</b> | <b><u>\$ 74,990</u></b>                 | <b><u>\$ 7,835</u></b>                           | <b><u>\$ 4,674,901</u></b>                 | <b><u>\$ 7,673,130</u></b>                      |

**CITY OF COLUMBIA, MISSOURI  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
SEPTEMBER 30, 2016**

| <b>ASSETS</b>   | <b>Public<br/>Improvement<br/>Fund</b> | <b>Capital<br/>Improvement<br/>Sales Tax Fund</b> | <b>Stadium<br/>TDD's<br/>Fund</b> |
|---|--|---|-----------------------------------|
| Cash and cash equivalents   | \$ 405,982                             | \$ 3,488,154                                      | \$ 160,708                        |
| Accounts receivable   | -                                      | -   | 89,735                            |
| Taxes receivable, net   | 138,143                                | 816,959   | -                                 |
| Grants receivable   | -                                      | -   | -                                 |
| Rehabilitation loans receivable, net                                | -                                      | -   | -                                 |
| Prepaid expenses  | -                                      | -   | -                                 |
| Accrued interest  | 12,973                                 | 5,845   | 337                               |
| Other assets  | -                                      | -   | -                                 |
| Restricted assets:  |  |   |                                   |
| Cash and cash equivalents   | <u>7,547,130</u>                       | <u>-</u>  | <u>-</u>                          |
| <b>TOTAL ASSETS</b>   | <b><u>\$ 8,104,228</u></b>             | <b><u>\$ 4,310,958</u></b>                        | <b><u>\$ 250,780</u></b>          |
| <br><b>LIABILITIES, DEFERRED INFLOWS<br/>AND FUND BALANCE</b>       |  |   |                                   |
| <b>LIABILITIES:</b>   |  |   |                                   |
| Accounts payable  | \$ -                                   | \$ -  | \$ -                              |
| Accrued payroll and payroll taxes                                   | -                                      | -   | -                                 |
| Due to other funds  | -                                      | -   | -                                 |
| Other liabilities   | <u>-</u>                               | <u>-</u>  | <u>-</u>                          |
| <b>TOTAL LIABILITIES</b>  | <b><u>-</u></b>                        | <b><u>-</u></b>                                   | <b><u>-</u></b>                   |
| <br><b>DEFERRED INFLOWS OF RESOURCES:</b>                           |  |   |                                   |
| Unavailable revenue - grants  | <u>-</u>                               | <u>-</u>  | <u>-</u>                          |
| <b>TOTAL DEFERRED INFLOWS</b>                                       | <b><u>-</u></b>                        | <b><u>-</u></b>                                   | <b><u>-</u></b>                   |
| <br><b>FUND BALANCE:</b>  |  |   |                                   |
| Nonspendable  | -                                      | -   | -                                 |
| Restricted  | 7,547,130                              | 4,310,958   | 250,780                           |
| Committed   | 557,098                                | -   | -                                 |
| Assigned  | -                                      | -   | -                                 |
| Unassigned (deficit)  | <u>-</u>                               | <u>-</u>  | <u>-</u>                          |
| <b>TOTAL FUND BALANCE</b>   | <b><u>8,104,228</u></b>                | <b><u>4,310,958</u></b>                           | <b><u>250,780</u></b>             |
| <br><b>TOTAL LIABILITIES, DEFERRED INFLOWS<br/>AND FUND BALANCE</b> | <br><b><u>\$ 8,104,228</u></b>         | <br><b><u>\$ 4,310,958</u></b>                    | <br><b><u>\$ 250,780</u></b>      |

**CITY OF COLUMBIA, MISSOURI  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
SEPTEMBER 30, 2016**

| <b>Park Sales<br/>Tax Fund</b> | <b>Contributions<br/>Fund</b> | <b>Transportation<br/>Sales Tax<br/>Fund</b> | <b>Total Nonmajor<br/>Special Revenue<br/>Funds</b> |
|--------------------------------|-------------------------------|--|---|
| \$ 1,170,925                   | \$ 623,487                    | \$ 3,693,159                                 | \$ 11,227,179                                       |
| 7,529                          | 1,769                         | -  | 99,033  |
| 809,429                        | -                             | 1,633,944                                    | 3,607,401   |
| -                              | -                             | -  | 522,632   |
| -                              | -                             | -  | 7,171,856   |
| -                              | -                             | -  | 3,018   |
| 2,177                          | 1,045                         | 6,078  | 35,580  |
| -                              | -                             | -  | 53,632  |
| -                              | -                             | -  | 10,326,033  |
| <u>\$ 1,990,060</u>            | <u>\$ 626,301</u>             | <u>\$ 5,333,181</u>                          | <u>\$ 33,046,364</u>                                |
| \$ -                           | \$ 2,617                      | \$ -   | 106,482   |
| -                              | -                             | -  | 32,045  |
| -                              | -                             | 86,066                                       | 236,950   |
| -                              | -                             | -  | 102,549   |
| -                              | 2,617                         | 86,066                                       | 478,026   |
| -                              | -                             | -  | 227,746   |
| -                              | -                             | -  | 227,746   |
| -                              | -                             | -  | 3,018   |
| 1,990,060                      | 410,580                       | 5,247,115                                    | 31,572,284  |
| -                              | -                             | -  | 557,098   |
| -                              | 213,104                       | -  | 213,104   |
| -                              | -                             | -  | (4,912)   |
| <u>1,990,060</u>               | <u>623,684</u>                | <u>5,247,115</u>                             | <u>32,340,592</u>                                   |
| <u>\$ 1,990,060</u>            | <u>\$ 626,301</u>             | <u>\$ 5,333,181</u>                          | <u>\$ 33,046,364</u>                                |

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**CITY OF COLUMBIA, MISSOURI  
 COMBINING BALANCE SHEET  
 NONMAJOR DEBT SERVICE FUNDS  
 SEPTEMBER 30, 2016**

|                           | <b>2016 Special<br/>Obligation<br/>Bonds<br/><u>Debt Service Fund</u></b> | <b>Lemone<br/>Trust<br/>Note<br/><u>Debt Service Fund</u></b> | <b>MO Transportation<br/>Finance Corp<br/>Loan<br/><u>Debt Service Fund</u></b> | <b>Total<br/>Nonmajor<br/>Debt Service<br/>Funds</b> |
|---------------------------|---|---|---|--|
| <b>ASSETS</b>             |   |   |   |  |
| Cash and cash equivalents | \$ 1,129,364  | \$ 159,308  | \$ 732,758  | \$ 2,021,430   |
| Accrued interest          | 1,978   | 219   | 1,088   | 3,285  |
| Restricted assets:        |   |   |   |  |
| Cash and cash equivalents | <u>-</u>  | <u>1,320,059</u>  | <u>17,049</u>   | <u>1,337,108</u>                                     |
| TOTAL ASSETS              | <u><u>\$ 1,131,342</u></u>  | <u><u>\$ 1,479,586</u></u>                                    | <u><u>\$ 750,895</u></u>  | <u><u>\$ 3,361,823</u></u>                           |
| <b>FUND BALANCE:</b>      |   |   |   |  |
| Restricted                | -   | 1,343,690   | 17,049  | 1,360,739  |
| Committed                 | <u>1,131,342</u>  | <u>135,896</u>  | <u>733,846</u>  | <u>2,001,084</u>                                     |
| TOTAL FUND BALANCE        | <u><u>\$ 1,131,342</u></u>  | <u><u>\$ 1,479,586</u></u>                                    | <u><u>\$ 750,895</u></u>  | <u><u>\$ 3,361,823</u></u>                           |

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**CITY OF COLUMBIA, MISSOURI**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

|   | Special<br>Revenue<br>Funds | Debt<br>Service<br>Funds | Permanent<br>Fund   | Total Nonmajor<br>Governmental<br>Funds |
|---|-----------------------------|--------------------------|---------------------|---|
| REVENUES:   |                             |                          |                     |   |
| Sales tax   | \$ 24,346,267               | \$ -                     | \$ -                | \$ 24,346,267                           |
| Other local taxes                                 | 2,555,875                   | -                        | -                   | 2,555,875                               |
| Fees and service charges                          | 1,674,275                   | -                        | -                   | 1,674,275                               |
| Revenue from other governmental units             | 3,312,764                   | -                        | -                   | 3,312,764                               |
| Lease revenue                                     | -                           | 1,755,731                | -                   | 1,755,731                               |
| Investment revenue                                | 402,281                     | 102,692                  | 177,166             | 682,139                                 |
| Miscellaneous                                     | 138,339                     | -                        | -                   | 138,339                                 |
| <b>TOTAL REVENUES</b>                             | <b>32,429,801</b>           | <b>1,858,423</b>         | <b>177,166</b>      | <b>34,465,390</b>                       |
| EXPENDITURES:                                     |                             |                          |                     |   |
| Current:  |                             |                          |                     |   |
| Policy development and administration             | 2,230,661                   | -                        | 45,291              | 2,275,952                               |
| Transportation                                    | -                           | 79,549                   | -                   | 79,549                                  |
| Health and environment                            | 1,116,776                   | 521,868                  | -                   | 1,638,644                               |
| Personal development                              | 145,817                     | -                        | -                   | 145,817                                 |
| Debt Service:                                     |                             |                          |                     |   |
| Redemption of serial bonds                        | -                           | 8,508,973                | -                   | 8,508,973                               |
| Interest  | -                           | 1,209,593                | -                   | 1,209,593                               |
| Bond issuance and other costs                     | -                           | 237,281                  | -                   | 237,281                                 |
| <b>TOTAL EXPENDITURES</b>                         | <b>3,493,254</b>            | <b>10,557,264</b>        | <b>45,291</b>       | <b>14,095,809</b>                       |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 28,936,547                  | (8,698,841)              | 131,875             | 20,369,581                              |
| OTHER FINANCING SOURCES (USES):                   |                             |                          |                     |   |
| Transfers in                                      | 2,446,219                   | 9,119,704                | -                   | 11,565,923                              |
| Transfers out                                     | (28,394,470)                | (5,979,433)              | -                   | (34,373,903)                            |
| Proceeds of refunding bond issued                 | -                           | 17,580,000               | -                   | 17,580,000                              |
| Premium on refunding bond issued                  | -                           | 1,699,838                | -                   | 1,699,838                               |
| Payment to refunded bond escrow agent             | -                           | (19,039,585)             | -                   | (19,039,585)                            |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>       | <b>(25,948,251)</b>         | <b>3,380,524</b>         | <b>-</b>            | <b>(22,567,727)</b>                     |
| NET CHANGE IN FUND BALANCE                        | 2,988,296                   | (5,318,317)              | 131,875             | (2,198,146)                             |
| FUND BALANCE, BEGINNING OF PERIOD                 | 29,352,296                  | 8,680,140                | 8,806,884           | 46,839,320                              |
| FUND BALANCE, END OF PERIOD                       | <u>\$ 32,340,592</u>        | <u>\$ 3,361,823</u>      | <u>\$ 8,938,759</u> | <u>\$ 44,641,174</u>                    |

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**CITY OF COLUMBIA, MISSOURI**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

|  | <u>Non<br/>Motorized<br/>Grant Fund</u> | <u>Mid Mo<br/>Solid Waste<br/>Mgmt Dist Fund</u> | <u>Convention<br/>and Tourism<br/>Fund</u> | <u>Community<br/>Development<br/>Grant Fund</u> |
|--|---|--|--|---|
| REVENUES:  |   |  |  |   |
| Other local taxes                                    | \$ -                                    | \$ -   | \$ 2,555,875                               | \$ -  |
| Revenue from other<br>governmental units             | 429,602                                 | 84,023   | 52,030                                     | 1,711,395                                       |
| Investment revenue                                   | -                                       | 223  | 117,070                                    | 11,315  |
| Miscellaneous  | -                                       | -  | 19,272                                     | 1,000   |
| TOTAL REVENUES                                       | <u>429,602</u>                          | <u>84,246</u>                                    | <u>2,744,247</u>                           | <u>1,723,710</u>                                |
| EXPENDITURES:  |   |  |  |   |
| Current:   |   |  |  |   |
| Policy development<br>and administration             | 226,540                                 | 128,233  | 1,820,875                                  | -   |
| Health and environment                               | -                                       | -  | -  | 1,116,776                                       |
| Personal development                                 | <u>79,501</u>                           | <u>-</u>   | <u>-</u>                                   | <u>-</u>  |
| TOTAL EXPENDITURES                                   | <u>306,041</u>                          | <u>128,233</u>                                   | <u>1,820,875</u>                           | <u>1,116,776</u>                                |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | <u>123,561</u>                          | <u>(43,987)</u>                                  | <u>923,372</u>                             | <u>606,934</u>                                  |
| OTHER FINANCING SOURCES (USES):                      |   |  |  |   |
| Transfers in   | -                                       | 48,271   | -  | -   |
| Transfers out  | <u>-</u>                                | <u>-</u>   | <u>(283,616)</u>                           | <u>(291,723)</u>                                |
| TOTAL OTHER FINANCING<br>SOURCES (USES)              | <u>-</u>                                | <u>48,271</u>                                    | <u>(283,616)</u>                           | <u>(291,723)</u>                                |
| NET CHANGE IN FUND BALANCE                           | 123,561                                 | 4,284  | 639,756                                    | 315,211   |
| FUND BALANCE (DEFICIT), BEGINNING OF PERIOD          | <u>(128,473)</u>                        | <u>-</u>   | <u>3,829,771</u>                           | <u>7,029,657</u>                                |
| FUND BALANCE (DEFICIT), END OF PERIOD                | <u>\$ (4,912)</u>                       | <u>\$ 4,284</u>                                  | <u>\$ 4,469,527</u>                        | <u>\$ 7,344,868</u>                             |

**CITY OF COLUMBIA, MISSOURI**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

|  | <b>Public<br/>Improvement<br/>Fund</b> | <b>Capital<br/>Improvement<br/>Sales Tax Fund</b> | <b>Stadium<br/>TDD's<br/>Fund</b> |
|--|--|---|-----------------------------------|
| REVENUES:  |  |   |                                   |
| Sales tax  | \$ 996,320                             | \$ 5,837,471                                      | \$ -                              |
| Other local taxes  | -                                      | -   | -                                 |
| Fees and service charges                                 | 1,674,275                              | -   | -                                 |
| Revenue from other governmental units                    | -                                      | -   | 1,035,714                         |
| Investment revenue                                       | 153,482                                | 19,585  | 8,162                             |
| Miscellaneous  | -                                      | -   | -                                 |
| <b>TOTAL REVENUES</b>                                    | <b>2,824,077</b>                       | <b>5,857,056</b>                                  | <b>1,043,876</b>                  |
| EXPENDITURES:  |  |   |                                   |
| Current:   |  |   |                                   |
| Policy development and administration                    | 55,013                                 | -   | -                                 |
| Health and environment                                   | -                                      | -   | -                                 |
| Personal development                                     | -                                      | 12,117  | -                                 |
| <b>TOTAL EXPENDITURES</b>                                | <b>55,013</b>                          | <b>12,117</b>                                     | <b>-</b>                          |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b> | <b>2,769,064</b>                       | <b>5,844,939</b>                                  | <b>1,043,876</b>                  |
| OTHER FINANCING SOURCES (USES):                          |  |   |                                   |
| Transfers in   | -                                      | 2,397,948   | -                                 |
| Transfers out  | (2,068,965)                            | (6,649,244)                                       | (983,476)                         |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>              | <b>(2,068,965)</b>                     | <b>(4,251,296)</b>                                | <b>(983,476)</b>                  |
| <b>NET CHANGE IN FUND BALANCE</b>                        | <b>700,099</b>                         | <b>1,593,643</b>                                  | <b>60,400</b>                     |
| <b>FUND BALANCE (DEFICIT), BEGINNING OF PERIOD</b>       | <b>7,404,129</b>                       | <b>2,717,315</b>                                  | <b>190,380</b>                    |
| <b>FUND BALANCE (DEFICIT), END OF PERIOD</b>             | <b>\$ 8,104,228</b>                    | <b>\$ 4,310,958</b>                               | <b>\$ 250,780</b>                 |

**CITY OF COLUMBIA, MISSOURI**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

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| <u>Park Sales<br/>Tax Fund</u> | <u>Contributions<br/>Fund</u> | <u>Transportation<br/>Sales Tax<br/>Fund</u> | <u>Total Nonmajor<br/>Special Revenue<br/>Funds</u> |
|--------------------------------|-------------------------------|--|---|
| \$ 5,837,277                   | \$ -                          | \$ 11,675,199                                | \$ 24,346,267                                       |
| -                              | -                             | -  | 2,555,875   |
| -                              | -                             | -  | 1,674,275   |
| -                              | -                             | -  | 3,312,764   |
| 3,144                          | 13,151                        | 76,149                                       | 402,281   |
| -                              | 118,067                       | -  | 138,339   |
| <u>5,840,421</u>               | <u>131,218</u>                | <u>11,751,348</u>                            | <u>32,429,801</u>                                   |
| -                              | -                             | -  | 2,230,661   |
| -                              | -                             | -  | 1,116,776   |
| <u>21,066</u>                  | <u>20,960</u>                 | <u>12,173</u>                                | <u>145,817</u>                                      |
| <u>21,066</u>                  | <u>20,960</u>                 | <u>12,173</u>                                | <u>3,493,254</u>                                    |
| <u>5,819,355</u>               | <u>110,258</u>                | <u>11,739,175</u>                            | <u>28,936,547</u>                                   |
| -                              | -                             | -  | 2,446,219   |
| <u>(5,974,927)</u>             | <u>(95,777)</u>               | <u>(12,046,742)</u>                          | <u>(28,394,470)</u>                                 |
| <u>(5,974,927)</u>             | <u>(95,777)</u>               | <u>(12,046,742)</u>                          | <u>(25,948,251)</u>                                 |
| (155,572)                      | 14,481                        | (307,567)                                    | 2,988,296   |
| <u>2,145,632</u>               | <u>609,203</u>                | <u>5,554,682</u>                             | <u>29,352,296</u>                                   |
| <u>\$ 1,990,060</u>            | <u>\$ 623,684</u>             | <u>\$ 5,247,115</u>                          | <u>\$ 32,340,592</u>                                |

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**CITY OF COLUMBIA, MISSOURI**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR DEBT SERVICE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

|  | <b>2006B Special<br/>Obligation<br/>Bonds<br/>Debt Service Fund</b> | <b>2008B Special<br/>Obligation<br/>Bonds<br/>Debt Service Fund</b> | <b>2016 Special<br/>Obligation<br/>Bonds<br/>Debt Service Fund</b> | <b>Lemone<br/>Trust<br/>Note<br/>Debt Service Fund</b> | <b>MO Transportation<br/>Finance Corp<br/>Loan<br/>Debt Service Fund</b> | <b>Total<br/>Nonmajor<br/>Debt Service<br/>Funds</b> |
|--|---|---|--|--|--|--|
| <b>REVENUES:</b>   |   |   |  |  |  |  |
| Lease revenue  | \$ -  | \$ -  | \$ -   | \$ 1,755,731   | \$ -   | \$ 1,755,731   |
| Investment revenue   | 30,750  | 60,930  | 5,075  | 3,307  | 2,630  | 102,692  |
| <b>TOTAL REVENUES</b>  | <b>30,750</b>   | <b>60,930</b>   | <b>5,075</b>   | <b>1,759,038</b>                                       | <b>2,630</b>   | <b>1,858,423</b>                                     |
| <b>EXPENDITURES:</b>   |   |   |  |  |  |  |
| Health and Environment                                       | -   | -   | -  | 521,868  | -  | 521,868  |
| Transportation   | -   | -   | -  | -  | 79,549   | 79,549   |
| <b>Debt Service:</b>   |   |   |  |  |  |  |
| Redemption of serial bonds                                   | 3,095,000   | 1,245,000   | 2,194,500  | 1,203,360  | 771,113  | 8,508,973  |
| Interest   | 77,600  | 462,624   | 74,560   | 382,446  | 212,363  | 1,209,593  |
| Bond issuance and other costs                                | -   | -   | 237,281  | -  | -  | 237,281  |
| <b>TOTAL EXPENDITURES</b>                                    | <b>3,172,600</b>  | <b>1,707,624</b>  | <b>2,506,341</b>   | <b>2,107,674</b>                                       | <b>1,063,025</b>   | <b>10,557,264</b>                                    |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <b>(3,141,850)</b>  | <b>(1,646,694)</b>  | <b>(2,501,266)</b>   | <b>(348,636)</b>                                       | <b>(1,060,395)</b>   | <b>(8,698,841)</b>                                   |
| <b>OTHER FINANCING SOURCES (USES):</b>                       |   |   |  |  |  |  |
| Transfers in   | 2,064,938   | 1,898,107   | 3,392,355  | 73,965   | 1,690,339  | 9,119,704  |
| Transfers out  | (2,635,108)   | (3,344,325)   | -  | -  | -  | (5,979,433)  |
| Proceeds of refunding bond issued                            | -   | -   | 17,580,000   | -  | -  | 17,580,000   |
| Premium on refunding bond issued                             | -   | -   | 1,699,838  | -  | -  | 1,699,838  |
| Payment to refunded bond escrow agent                        | -   | -   | (19,039,585)   | -  | -  | (19,039,585)   |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>                  | <b>(570,170)</b>  | <b>(1,446,218)</b>  | <b>3,632,608</b>   | <b>73,965</b>  | <b>1,690,339</b>   | <b>3,380,524</b>                                     |
| <b>NET CHANGE IN FUND BALANCE</b>                            | <b>(3,712,020)</b>  | <b>(3,092,912)</b>  | <b>1,131,342</b>   | <b>(274,671)</b>                                       | <b>629,944</b>   | <b>(5,318,317)</b>                                   |
| <b>FUND BALANCE, BEGINNING OF PERIOD</b>                     | <b>3,712,020</b>  | <b>3,092,912</b>  | <b>-</b>   | <b>1,754,257</b>                                       | <b>120,951</b>   | <b>8,680,140</b>                                     |
| <b>FUND BALANCE, END OF PERIOD</b>                           | <b>\$ -</b>   | <b>\$ -</b>   | <b>\$ 1,131,342</b>  | <b>\$ 1,479,586</b>                                    | <b>\$ 750,895</b>  | <b>\$ 3,361,823</b>                                  |

**CITY OF COLUMBIA, MISSOURI  
BUDGETARY COMPARISON SCHEDULE  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

|   | <u>Stadium TDD's</u>        |                           |                    |
|---|-----------------------------|---------------------------|--------------------|
|   | <u>Budgeted<br/>Amounts</u> | <u>Actual<br/>Amounts</u> | <u>Variance</u>    |
| REVENUES:                               |                             |                           |                    |
| General property taxes                  | \$ -                        | \$ -                      | \$ -               |
| Sales tax                               | -                           | -                         | -                  |
| Other local taxes                       | -                           | -                         | -                  |
| Fees and service charges                | -                           | -                         | -                  |
| Revenue from other governmental units   | 1,087,490                   | 1,035,714                 | (51,776)           |
| Lease revenue                           |                             |                           |                    |
| Investment revenue                      | 4,408                       | 8,162                     | 3,754              |
| Miscellaneous revenue                   | -                           | -                         | -                  |
| TOTAL REVENUES                          | <u>1,091,898</u>            | <u>1,043,876</u>          | <u>(48,022)</u>    |
| EXPENDITURES:                           |                             |                           |                    |
| Current:                                |                             |                           |                    |
| Policy development and administration   | -                           | -                         | -                  |
| Health and environment                  | -                           | -                         | -                  |
| Transportation                          | -                           | -                         | -                  |
| Personal development                    | -                           | -                         | -                  |
| Transportation                          | -                           | -                         | -                  |
| Miscellaneous nonprogrammed activities: |                             |                           |                    |
| Capital outlay                          | -                           | -                         | -                  |
| Debt Service                            | -                           | -                         | -                  |
| TOTAL EXPENDITURES                      | <u>-</u>                    | <u>-</u>                  | <u>-</u>           |
| EXCESS OF REVENUES OVER<br>EXPENDITURES | <u>1,091,898</u>            | <u>1,043,876</u>          | <u>(48,022)</u>    |
| OTHER FINANCING SOURCES (USES):         |                             |                           |                    |
| Transfers from other funds              | -                           | -                         | -                  |
| Transfers to other funds                | (983,476)                   | (983,476)                 | -                  |
| Miscellaneous                           | -                           | -                         | -                  |
| Loan proceeds                           | -                           | -                         | -                  |
| Proceeds of refunding bond issued       | -                           | -                         | -                  |
| Premium on refunding bond issued        | -                           | -                         | -                  |
| Payment to refunded bond escrow agent   | -                           | -                         | -                  |
| TOTAL OTHER FINANCING SOURCES<br>(USES) | <u>(983,476)</u>            | <u>(983,476)</u>          | <u>-</u>           |
| NET CHANGE IN FUND BALANCE              | 108,422                     | 60,400                    | (48,022)           |
| FUND BALANCE, BEGINNING OF PERIOD       | 199,360                     | 190,380                   | (8,980)            |
| FUND BALANCE, END OF PERIOD             | <u>\$ 307,782</u>           | <u>\$ 250,780</u>         | <u>\$ (57,002)</u> |

**CITY OF COLUMBIA, MISSOURI  
 BUDGETARY COMPARISON SCHEDULE  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016**

| <u>Transportation Sales Tax Fund</u> |                           |                     | <u>Convention and Tourism Fund</u> |                           |                     |
|--------------------------------------|---------------------------|---------------------|------------------------------------|---------------------------|---------------------|
| <u>Budgeted<br/>Amounts</u>          | <u>Actual<br/>Amounts</u> | <u>Variance</u>     | <u>Budgeted<br/>Amounts</u>        | <u>Actual<br/>Amounts</u> | <u>Variance</u>     |
| \$ -                                 | \$ -                      | \$ -                | \$ -                               | \$ -                      | \$ -                |
| 11,819,737                           | 11,675,199                | (144,538)           | -                                  | -                         | -                   |
| -                                    | -                         | -                   | 2,445,450                          | 2,555,875                 | 110,425             |
| -                                    | -                         | -                   | -                                  | -                         | -                   |
| -                                    | -                         | -                   | 82,266                             | 52,030                    | (30,236)            |
| -                                    | -                         | -                   | -                                  | -                         | -                   |
| 66,254                               | 76,149                    | 9,895               | 49,110                             | 117,070                   | 67,960              |
| -                                    | -                         | -                   | 37,000                             | 19,272                    | (17,728)            |
| <u>11,885,991</u>                    | <u>11,751,348</u>         | <u>(134,643)</u>    | <u>2,613,826</u>                   | <u>2,744,247</u>          | <u>130,421</u>      |
| -                                    | -                         | -                   | 2,397,966                          | 1,820,875                 | 577,091             |
| -                                    | -                         | -                   | -                                  | -                         | -                   |
| -                                    | -                         | -                   | -                                  | -                         | -                   |
| 12,173                               | 12,173                    | -                   | -                                  | -                         | -                   |
| -                                    | -                         | -                   | -                                  | -                         | -                   |
| -                                    | -                         | -                   | -                                  | -                         | -                   |
| -                                    | -                         | -                   | -                                  | -                         | -                   |
| <u>12,173</u>                        | <u>12,173</u>             | <u>-</u>            | <u>2,397,966</u>                   | <u>1,820,875</u>          | <u>577,091</u>      |
| <u>11,873,818</u>                    | <u>11,739,175</u>         | <u>(134,643)</u>    | <u>215,860</u>                     | <u>923,372</u>            | <u>707,512</u>      |
| -                                    | -                         | -                   | -                                  | -                         | -                   |
| (12,046,742)                         | (12,046,742)              | -                   | (274,116)                          | (283,616)                 | (9,500)             |
| -                                    | -                         | -                   | -                                  | -                         | -                   |
| -                                    | -                         | -                   | -                                  | -                         | -                   |
| -                                    | -                         | -                   | -                                  | -                         | -                   |
| -                                    | -                         | -                   | -                                  | -                         | -                   |
| <u>(12,046,742)</u>                  | <u>(12,046,742)</u>       | <u>-</u>            | <u>(274,116)</u>                   | <u>(283,616)</u>          | <u>(9,500)</u>      |
| (172,924)                            | (307,567)                 | (134,643)           | (58,256)                           | 639,756                   | 698,012             |
| 5,734,808                            | 5,554,682                 | (180,126)           | 3,401,704                          | 3,829,771                 | 428,067             |
| <u>\$ 5,561,884</u>                  | <u>\$ 5,247,115</u>       | <u>\$ (314,769)</u> | <u>\$ 3,343,448</u>                | <u>\$ 4,469,527</u>       | <u>\$ 1,126,079</u> |

**CITY OF COLUMBIA, MISSOURI  
BUDGETARY COMPARISON SCHEDULE  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

|   | <b>Public Improvement Fund</b> |                           |                   |
|---|--------------------------------|---------------------------|-------------------|
|   | <b>Budgeted<br/>Amounts</b>    | <b>Actual<br/>Amounts</b> | <b>Variance</b>   |
| <b>REVENUES:</b>                                |                                |                           |                   |
| General property taxes                          | \$ -                           | \$ -                      | \$ -              |
| Sales tax                                       | 1,016,814                      | 996,320                   | (20,494)          |
| Other local taxes                               | -                              | -                         | -                 |
| Fees and service charges                        | 1,350,000                      | 1,674,275                 | 324,275           |
| Revenue from other governmental units           | -                              | -                         | -                 |
| Lease revenue                                   | -                              | -                         | -                 |
| Investment revenue                              | 125,226                        | 153,482                   | 28,256            |
| Miscellaneous revenue                           | -                              | -                         | -                 |
| <b>TOTAL REVENUES</b>                           | <b>2,492,040</b>               | <b>2,824,077</b>          | <b>332,037</b>    |
| <b>EXPENDITURES:</b>                            |                                |                           |                   |
| Current:  |                                |                           |                   |
| Policy development and administration           | 55,013                         | 55,013                    | -                 |
| Health and environment                          | -                              | -                         | -                 |
| Transportation                                  | -                              | -                         | -                 |
| Personal development                            | -                              | -                         | -                 |
| Transportation                                  | -                              | -                         | -                 |
| Miscellaneous nonprogrammed activities:         |                                |                           |                   |
| Capital outlay                                  | -                              | -                         | -                 |
| Debt Service                                    | -                              | -                         | -                 |
| <b>TOTAL EXPENDITURES</b>                       | <b>55,013</b>                  | <b>55,013</b>             | <b>-</b>          |
| <b>EXCESS OF REVENUES OVER<br/>EXPENDITURES</b> | <b>2,437,027</b>               | <b>2,769,064</b>          | <b>332,037</b>    |
| <b>OTHER FINANCING SOURCES (USES):</b>          |                                |                           |                   |
| Transfers from other funds                      | -                              | -                         | -                 |
| Transfers to other funds                        | (2,068,965)                    | (2,068,965)               | -                 |
| Miscellaneous                                   | -                              | -                         | -                 |
| Loan proceeds                                   | -                              | -                         | -                 |
| Proceeds of refunding bond issued               | -                              | -                         | -                 |
| Premium on refunding bond issued                | -                              | -                         | -                 |
| Payment to refunded bond escrow agent           | -                              | -                         | -                 |
| <b>TOTAL OTHER FINANCING SOURCES<br/>(USES)</b> | <b>(2,068,965)</b>             | <b>(2,068,965)</b>        | <b>-</b>          |
| <b>NET CHANGE IN FUND BALANCE</b>               | <b>368,062</b>                 | <b>700,099</b>            | <b>332,037</b>    |
| <b>FUND BALANCE, BEGINNING OF PERIOD</b>        | <b>7,524,634</b>               | <b>7,404,129</b>          | <b>(120,505)</b>  |
| <b>FUND BALANCE, END OF PERIOD</b>              | <b>\$ 7,892,696</b>            | <b>\$ 8,104,228</b>       | <b>\$ 211,532</b> |

**CITY OF COLUMBIA, MISSOURI  
BUDGETARY COMPARISON SCHEDULE  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

| <u>Capital Improvement Sales Tax Fund</u> |                           |                     | <u>Park Sales Tax Fund</u>  |                           |                     |
|---|---------------------------|---------------------|-----------------------------|---------------------------|---------------------|
| <u>Budgeted<br/>Amounts</u>               | <u>Actual<br/>Amounts</u> | <u>Variance</u>     | <u>Budgeted<br/>Amounts</u> | <u>Actual<br/>Amounts</u> | <u>Variance</u>     |
| \$ -                                      | \$ -                      | \$ -                | \$ -                        | \$ -                      | \$ -                |
| 5,827,398                                 | 5,837,471                 | 10,073              | 4,427,497                   | 5,837,277                 | 1,409,780           |
| -   | -                         | -                   | -                           | -                         | -                   |
| -   | -                         | -                   | -                           | -                         | -                   |
| -   | -                         | -                   | -                           | -                         | -                   |
| -   | 19,585                    | 19,585              | 19,366                      | 3,144                     | (16,222)            |
| -   | -                         | -                   | -                           | -                         | -                   |
| <u>5,827,398</u>                          | <u>5,857,056</u>          | <u>29,658</u>       | <u>4,446,863</u>            | <u>5,840,421</u>          | <u>1,393,558</u>    |
| -   | -                         | -                   | -                           | -                         | -                   |
| -   | -                         | -                   | -                           | -                         | -                   |
| -   | -                         | -                   | -                           | -                         | -                   |
| 12,117                                    | 12,117                    | -                   | 21,066                      | 21,066                    | -                   |
| -   | -                         | -                   | -                           | -                         | -                   |
| -   | -                         | -                   | -                           | -                         | -                   |
| -   | -                         | -                   | -                           | -                         | -                   |
| <u>12,117</u>                             | <u>12,117</u>             | <u>-</u>            | <u>21,066</u>               | <u>21,066</u>             | <u>-</u>            |
| <u>5,815,281</u>                          | <u>5,844,939</u>          | <u>29,658</u>       | <u>4,425,797</u>            | <u>5,819,355</u>          | <u>1,393,558</u>    |
| 2,397,948                                 | 2,397,948                 | -                   | -                           | -                         | -                   |
| (7,607,619)                               | (6,649,244)               | 958,375             | (5,974,927)                 | (5,974,927)               | -                   |
| -   | -                         | -                   | -                           | -                         | -                   |
| -   | -                         | -                   | -                           | -                         | -                   |
| -   | -                         | -                   | -                           | -                         | -                   |
| -   | -                         | -                   | -                           | -                         | -                   |
| <u>(5,209,671)</u>                        | <u>(4,251,296)</u>        | <u>958,375</u>      | <u>(5,974,927)</u>          | <u>(5,974,927)</u>        | <u>-</u>            |
| 605,610                                   | 1,593,643                 | 988,033             | (1,549,130)                 | (155,572)                 | 1,393,558           |
| <u>2,704,725</u>                          | <u>2,717,315</u>          | <u>12,590</u>       | <u>2,187,487</u>            | <u>2,145,632</u>          | <u>(41,855)</u>     |
| <u>\$ 3,310,335</u>                       | <u>\$ 4,310,958</u>       | <u>\$ 1,000,623</u> | <u>\$ 638,357</u>           | <u>\$ 1,990,060</u>       | <u>\$ 1,351,703</u> |

**CITY OF COLUMBIA, MISSOURI  
BUDGETARY COMPARISON SCHEDULE  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

|  | <b>Contributions Fund</b>   |                           |                  |
|--|-----------------------------|---------------------------|------------------|
|  | <b>Budgeted<br/>Amounts</b> | <b>Actual<br/>Amounts</b> | <b>Variance</b>  |
| <b>REVENUES:</b>   |                             |                           |                  |
| General property taxes                                       | \$ -                        | \$ -                      | \$ -             |
| Sales tax  | -                           | -                         | -                |
| Other local taxes  | -                           | -                         | -                |
| Fees and service charges                                     | -                           | -                         | -                |
| Revenue from other governmental units                        | -                           | -                         | -                |
| Lease revenue  | -                           | -                         | -                |
| Investment revenue   | 12,618                      | 13,151                    | 533              |
| Miscellaneous revenue  | 81,842                      | 118,067                   | 36,225           |
| <b>TOTAL REVENUES</b>  | <b>94,460</b>               | <b>131,218</b>            | <b>36,758</b>    |
| <b>EXPENDITURES:</b>   |                             |                           |                  |
| Current:   |                             |                           |                  |
| Policy development and administration                        | 12,974                      | -                         | 12,974           |
| Health and environment                                       | -                           | -                         | -                |
| Transportation   | -                           | -                         | -                |
| Personal development   | 11,404                      | 20,960                    | (9,556)          |
| Transportation   | -                           | -                         | -                |
| Miscellaneous nonprogrammed activities:                      |                             |                           |                  |
| Capital outlay   | -                           | -                         | -                |
| Debt Service   | -                           | -                         | -                |
| <b>TOTAL EXPENDITURES</b>                                    | <b>24,378</b>               | <b>20,960</b>             | <b>3,418</b>     |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER<br/>EXPENDITURES</b> | <b>70,082</b>               | <b>110,258</b>            | <b>40,176</b>    |
| <b>OTHER FINANCING SOURCES (USES):</b>                       |                             |                           |                  |
| Transfers from other funds                                   | -                           | -                         | -                |
| Transfers to other funds                                     | (95,778)                    | (95,777)                  | 1                |
| Miscellaneous  | -                           | -                         | -                |
| Loan proceeds  | -                           | -                         | -                |
| Proceeds of refunding bond issued                            | -                           | -                         | -                |
| Premium on refunding bond issued                             | -                           | -                         | -                |
| Payment to refunded bond escrow agent                        | -                           | -                         | -                |
| <b>TOTAL OTHER FINANCING SOURCES<br/>(USES)</b>              | <b>(95,778)</b>             | <b>(95,777)</b>           | <b>1</b>         |
| <b>NET CHANGE IN FUND BALANCE</b>                            | <b>(25,696)</b>             | <b>14,481</b>             | <b>40,177</b>    |
| <b>FUND BALANCE, BEGINNING OF PERIOD</b>                     | <b>608,375</b>              | <b>609,203</b>            | <b>828</b>       |
| <b>FUND BALANCE (DEFICIT), END OF PERIOD</b>                 | <b>\$ 582,679</b>           | <b>\$ 623,684</b>         | <b>\$ 41,005</b> |

**CITY OF COLUMBIA, MISSOURI  
BUDGETARY COMPARISON SCHEDULE  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

| Non-Motorized Grant Fund |                   |                  | Mid Mo Solid Waste Mgt District Fund |                 |                 |
|--------------------------|-------------------|------------------|--------------------------------------|-----------------|-----------------|
| Budgeted Amounts         | Actual Amounts    | Variance         | Budgeted Amounts                     | Actual Amounts  | Variance        |
| \$ -                     | \$ -              | \$ -             | \$ -                                 | \$ -            | \$ -            |
| -                        | -                 | -                | -                                    | -               | -               |
| -                        | -                 | -                | -                                    | -               | -               |
| 779,613                  | 429,602           | (350,011)        | 95,583                               | 84,023          | (11,560)        |
| -                        | -                 | -                | -                                    | -               | -               |
| -                        | -                 | -                | -                                    | 223             | 223             |
| -                        | -                 | -                | -                                    | -               | -               |
| <u>779,613</u>           | <u>429,602</u>    | <u>(350,011)</u> | <u>95,583</u>                        | <u>84,246</u>   | <u>(11,337)</u> |
| 742,981                  | 226,540           | 516,441          | -                                    | 128,233         | (128,233)       |
| -                        | -                 | -                | 143,854                              | -               | 143,854         |
| -                        | -                 | -                | -                                    | -               | -               |
| 99,016                   | 79,501            | 19,515           | -                                    | -               | -               |
| -                        | -                 | -                | -                                    | -               | -               |
| -                        | -                 | -                | -                                    | -               | -               |
| -                        | -                 | -                | -                                    | -               | -               |
| <u>841,997</u>           | <u>306,041</u>    | <u>535,956</u>   | <u>143,854</u>                       | <u>128,233</u>  | <u>15,621</u>   |
| <u>(62,384)</u>          | <u>123,561</u>    | <u>185,945</u>   | <u>(48,271)</u>                      | <u>(43,987)</u> | <u>4,284</u>    |
| -                        | -                 | -                | 48,271                               | 48,271          | -               |
| -                        | -                 | -                | -                                    | -               | -               |
| -                        | -                 | -                | -                                    | -               | -               |
| -                        | -                 | -                | -                                    | -               | -               |
| -                        | -                 | -                | -                                    | -               | -               |
| -                        | -                 | -                | -                                    | -               | -               |
| <u>-</u>                 | <u>-</u>          | <u>-</u>         | <u>48,271</u>                        | <u>48,271</u>   | <u>-</u>        |
| (62,384)                 | 123,561           | 185,945          | -                                    | 4,284           | 4,284           |
| -                        | (128,473)         | (128,473)        | -                                    | -               | -               |
| <u>\$ (62,384)</u>       | <u>\$ (4,912)</u> | <u>\$ 57,472</u> | <u>\$ -</u>                          | <u>\$ 4,284</u> | <u>\$ 4,284</u> |

**CITY OF COLUMBIA, MISSOURI  
BUDGETARY COMPARISON SCHEDULE  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

|   | <b>Debt Service Funds (Combined)</b> |                           |                       |
|---|--------------------------------------|---------------------------|-----------------------|
|   | <b>Budgeted<br/>Amounts</b>          | <b>Actual<br/>Amounts</b> | <b>Variance</b>       |
| <b>REVENUES:</b>                                |                                      |                           |                       |
| General property taxes                          | \$ -                                 | \$ -                      | \$ -                  |
| Sales tax                                       | -                                    | -                         | -                     |
| Other local taxes                               | -                                    | -                         | -                     |
| Fees and service charges                        | -                                    | -                         | -                     |
| Revenue from other governmental units           | -                                    | -                         | -                     |
| Lease revenue                                   | -                                    | 1,755,731                 | 1,755,731             |
| Investment revenue                              | 132,606                              | 102,692                   | (29,914)              |
| Miscellaneous revenue                           | 1,257,494                            | -                         | (1,257,494)           |
| <b>TOTAL REVENUES</b>                           | <b>1,390,100</b>                     | <b>1,858,423</b>          | <b>468,323</b>        |
| <b>EXPENDITURES:</b>                            |                                      |                           |                       |
| Current:  |                                      |                           |                       |
| Policy development and administration           | -                                    | -                         | -                     |
| Health and environment                          | -                                    | 521,868                   | (521,868)             |
| Transportation                                  | -                                    | 79,549                    | (79,549)              |
| Personal development                            | -                                    | -                         | -                     |
| Transportation                                  | -                                    | -                         | -                     |
| Miscellaneous nonprogrammed activities:         |                                      |                           |                       |
| Capital outlay                                  | -                                    | -                         | -                     |
| Debt Service                                    | 7,880,251                            | 9,955,847                 | (2,075,596)           |
| <b>TOTAL EXPENDITURES</b>                       | <b>7,880,251</b>                     | <b>10,557,264</b>         | <b>(2,677,013)</b>    |
| <b>EXCESS OF REVENUES OVER<br/>EXPENDITURES</b> | <b>(6,490,151)</b>                   | <b>(8,698,841)</b>        | <b>(2,208,690)</b>    |
| <b>OTHER FINANCING SOURCES (USES):</b>          |                                      |                           |                       |
| Transfers from other funds                      | 9,269,773                            | 9,119,704                 | (150,069)             |
| Transfers to other funds                        | (5,744,103)                          | (5,979,433)               | (235,330)             |
| Miscellaneous                                   | -                                    | -                         | -                     |
| Loan proceeds                                   | -                                    | -                         | -                     |
| Proceeds of refunding bond issued               | -                                    | 17,580,000                | 17,580,000            |
| Premium on refunding bond issued                | -                                    | 1,699,838                 | 1,699,838             |
| Payment to refunded bond escrow agent           | -                                    | (19,039,585)              | (19,039,585)          |
| <b>TOTAL OTHER FINANCING SOURCES<br/>(USES)</b> | <b>3,525,670</b>                     | <b>3,380,524</b>          | <b>(145,146)</b>      |
| <b>NET CHANGE IN FUND BALANCE</b>               | <b>(2,964,481)</b>                   | <b>(5,318,317)</b>        | <b>(2,353,836)</b>    |
| <b>FUND BALANCE, BEGINNING OF PERIOD</b>        | <b>9,419,547</b>                     | <b>8,680,140</b>          | <b>(739,407)</b>      |
| <b>FUND BALANCE, END OF PERIOD</b>              | <b>\$ 6,455,066</b>                  | <b>\$ 3,361,823</b>       | <b>\$ (3,093,243)</b> |



## **NON-MAJOR ENTERPRISE FUNDS**

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

**Parking Facilities Fund** - to account for revenues and expenses resulting from the operation and maintenance of City parking lots, municipal garages, and parking meters.

**Recreational Services Fund** - to account for revenues and expenses for various recreational services provided by the Parks and Recreation Department for which participants are charged fees.

**Storm Water Utility Fund** - to account for storm water funding, implementation of storm water management projects, and provide maintenance to existing drainage facilities.

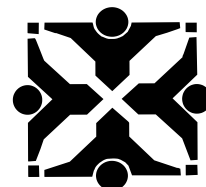
**Solid Waste Fund** - to account for the provision of solid waste collection and operation of the landfill.

**Regional Airport Fund** - to account for all the expenses incurred and revenues received by operations at the Columbia Regional Airport.

**Public Transportation Fund** - to account for all the expenses and revenues resulting from the provision of public transportation services by the Columbia Area Transportation System.

**Railroad Fund** - to account for revenues and expenses resulting from the operation of a railroad branch line which runs from a Norfolk and Southern main line in Centralia, Missouri to the City of Columbia.

**Transload Fund** - to account for revenues and expenses associated with the operation and maintenance of the Transload Facility.



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**CITY OF COLUMBIA, MISSOURI  
COMBINING STATEMENT OF NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
SEPTEMBER 30, 2016**

|  | <b>Parking<br/>Facilities<br/>Fund</b> | <b>Recreational<br/>Services<br/>Fund</b> | <b>Storm<br/>Water<br/>Fund</b> | <b>Solid<br/>Waste<br/>Fund</b> |
|--|--|---|---------------------------------|---------------------------------|
| <b>ASSETS</b>  |  |   |                                 |                                 |
| Current assets:                                      |  |   |                                 |                                 |
| Cash and cash equivalents                            | \$ 3,280,780                           | \$ 2,050,543                              | \$ 3,142,877                    | \$ 11,378,346                   |
| Receivable, net                                      | 77,119                                 | 6,249                                     | 131,612                         | 2,295,796                       |
| Grants receivable                                    | -                                      | -   | -                               | 61,248                          |
| Accrued interest                                     | 38,823                                 | 2,578                                     | 5,179                           | 24,810                          |
| Inventory  | -                                      | 27,133                                    | -                               | 349,800                         |
| Prepaid items  | -                                      | 1,876                                     | -                               | 600                             |
| Total current assets                                 | <u>3,396,722</u>                       | <u>2,088,379</u>                          | <u>3,279,668</u>                | <u>14,110,600</u>               |
| Noncurrent assets:                                   |  |   |                                 |                                 |
| Restricted assets:                                   |  |   |                                 |                                 |
| Bond covenant account cash                           | 2,299,616                              | -   | -                               | 256,606                         |
| Closure and postclosure reserve                      | -                                      | -   | -                               | 2,690,137                       |
| Customer security and escrow cash                    | -                                      | -   | -                               | 651,811                         |
| Grants receivable                                    | -                                      | -   | -                               | -                               |
| Total restricted assets                              | <u>2,299,616</u>                       | <u>-</u>                                  | <u>-</u>                        | <u>3,598,554</u>                |
| Capital assets:                                      |  |   |                                 |                                 |
| Land   | 2,589,201                              | 398,674                                   | 426,041                         | 1,446,082                       |
| Structures and improvements                          | 43,406,619                             | 21,735,777                                | 13,044,756                      | 20,780,525                      |
| Furniture, fixtures and equipment                    | 457,595                                | 1,190,283                                 | 410,452                         | 19,030,093                      |
| Construction in progress                             | 4,500                                  | -   | 323,629                         | 2,201,512                       |
| Less accumulated depreciation                        | (12,639,229)                           | (10,801,426)                              | (7,023,161)                     | (25,538,048)                    |
| Total capital assets                                 | <u>33,818,686</u>                      | <u>12,523,308</u>                         | <u>7,181,717</u>                | <u>17,920,164</u>               |
| Total noncurrent assets                              | <u>36,118,302</u>                      | <u>12,523,308</u>                         | <u>7,181,717</u>                | <u>21,518,718</u>               |
| <b>Total Assets</b>                                  | <u><b>39,515,024</b></u>               | <u><b>14,611,687</b></u>                  | <u><b>10,461,385</b></u>        | <u><b>35,629,318</b></u>        |
| <b>DEFERRED OUTFLOWS</b>                             |  |   |                                 |                                 |
| Outflows related to pension                          | 256,544                                | 905,098                                   | 228,310                         | 2,966,409                       |
| Deferred charge on refunding of debt                 | 106,702                                | -   | -                               | 59,669                          |
| <b>Total deferred outflows</b>                       | <u>363,246</u>                         | <u>905,098</u>                            | <u>228,310</u>                  | <u>3,026,078</u>                |
| <b>LIABILITIES</b>                                   |  |   |                                 |                                 |
| Current liabilities:                                 |  |   |                                 |                                 |
| Accounts payable                                     | 39,979                                 | 63,345                                    | 40,649                          | 819,496                         |
| Accrued interest                                     | 81,452                                 | -   | -                               | 9,839                           |
| Accrued payroll and payroll taxes                    | 17,685                                 | 108,045                                   | 8,383                           | 186,396                         |
| Accrued compensated absences                         | 9,441                                  | 129,501                                   | 19,434                          | 171,678                         |
| Accrued sales taxes                                  | -                                      | 26  | -                               | -                               |
| Due to other funds                                   | -                                      | -   | -                               | -                               |
| Loans payable to other funds –<br>current maturities | -                                      | -   | -                               | -                               |
| Obligations under capital leases                     | -                                      | -   | -                               | -                               |
| Unearned revenue                                     | 408,467                                | 30,758                                    | -                               | -                               |
| Other liabilities                                    | 15,205                                 | -   | 5,052                           | 4,704                           |
| Construction contracts payable                       | 481,929                                | 30,150                                    | 19,554                          | 635,528                         |
| Special obligation bonds payable                     | 505,000                                | -   | -                               | 365,000                         |
| Customer security and escrow deposits                | -                                      | -   | -                               | 657,528                         |
| Total current liabilities                            | <u>1,559,158</u>                       | <u>361,825</u>                            | <u>93,072</u>                   | <u>2,850,169</u>                |
| Noncurrent liabilities:                              |  |   |                                 |                                 |
| Accrued compensated absences                         | 5,100                                  | 69,966                                    | 10,500                          | 92,754                          |
| Special obligation bonds payable                     | 20,635,835                             | -   | -                               | 2,052,421                       |
| Advances from other funds                            | 811,519                                | 97,691                                    | -                               | 2,539,275                       |
| Loans payable to other funds                         | -                                      | -   | -                               | -                               |
| Obligations under capital leases                     | -                                      | -   | -                               | 2,690,137                       |
| Other long-term liabilities                          | -                                      | -   | -                               | -                               |
| Net pension liability                                | 86,193                                 | 304,093                                   | 76,707                          | 996,649                         |
| Total noncurrent liabilities                         | <u>21,538,647</u>                      | <u>471,750</u>                            | <u>87,207</u>                   | <u>8,371,236</u>                |
| <b>Total Liabilities</b>                             | <u><b>23,097,805</b></u>               | <u><b>833,575</b></u>                     | <u><b>180,279</b></u>           | <u><b>11,221,405</b></u>        |
| <b>DEFERRED INFLOWS</b>                              |  |   |                                 |                                 |
| Inflows related to pension                           | 49,332                                 | 174,046                                   | 43,903                          | 570,425                         |
| <b>Total deferred inflows</b>                        | <u>49,332</u>                          | <u>174,046</u>                            | <u>43,903</u>                   | <u>570,425</u>                  |
| <b>NET POSITION</b>                                  |  |   |                                 |                                 |
| Net investment in capital assets                     | 14,477,147                             | 12,523,308                                | 7,181,717                       | 15,562,412                      |
| Restricted for:                                      |  |   |                                 |                                 |
| Capital Projects                                     | -                                      | -   | -                               | -                               |
| Debt Service   | 607,022                                | -   | -                               | 246,767                         |
| Unrestricted   | 1,646,964                              | 1,985,856                                 | 3,283,796                       | 11,054,387                      |
| <b>Total Net Position</b>                            | <u><b>\$ 16,731,133</b></u>            | <u><b>\$ 14,509,164</b></u>               | <u><b>\$ 10,465,513</b></u>     | <u><b>\$ 26,863,566</b></u>     |

CITY OF COLUMBIA, MISSOURI  
 COMBINING STATEMENT OF NET POSITION  
 NONMAJOR ENTERPRISE FUNDS  
 SEPTEMBER 30, 2016

| Regional<br>Airport<br>Fund | Public<br>Transportation<br>Fund | Railroad<br>Fund    | Transload<br>Fund   | Total Nonmajor<br>Enterprise<br>Funds |
|-----------------------------|----------------------------------|---------------------|---------------------|---------------------------------------|
| \$ 3,336,767                | \$ 1,770,281                     | \$ 376,228          | \$ 206,349          | \$ 25,542,171                         |
| 79,497                      | 340,494                          | 58,865              | 154,691             | 3,144,323                             |
| -                           | 2,259,648                        | -                   | -                   | 2,320,896                             |
| 5,815                       | 2,142                            | 616                 | 330                 | 80,293                                |
| -                           | -                                | 147,916             | -                   | 524,849                               |
| 1,050                       | 74,366                           | -                   | -                   | 77,892                                |
| <u>3,423,129</u>            | <u>4,446,931</u>                 | <u>583,625</u>      | <u>361,370</u>      | <u>31,690,424</u>                     |
| -                           | -                                | -                   | -                   | 2,556,222                             |
| -                           | -                                | -                   | -                   | 2,690,137                             |
| -                           | -                                | -                   | -                   | 651,811                               |
| 1,305,970                   | 22,016                           | -                   | -                   | 1,327,986                             |
| <u>1,305,970</u>            | <u>22,016</u>                    | <u>-</u>            | <u>-</u>            | <u>7,226,156</u>                      |
| 1,670,696                   | -                                | 93,530              | 976,933             | 7,601,157                             |
| 40,368,294                  | 3,947,109                        | 12,472,617          | 2,563,883           | 158,319,580                           |
| 3,044,583                   | 13,939,661                       | 1,522,000           | 59,768              | 39,654,435                            |
| 1,352,992                   | 39,399                           | -                   | -                   | 3,922,032                             |
| (15,822,270)                | (9,115,073)                      | (6,449,924)         | (457,348)           | (87,846,479)                          |
| <u>30,614,295</u>           | <u>8,811,096</u>                 | <u>7,638,223</u>    | <u>3,143,236</u>    | <u>121,650,725</u>                    |
| <u>31,920,265</u>           | <u>8,833,112</u>                 | <u>7,638,223</u>    | <u>3,143,236</u>    | <u>128,876,881</u>                    |
| <u>35,343,394</u>           | <u>13,280,043</u>                | <u>8,221,848</u>    | <u>3,504,606</u>    | <u>160,567,305</u>                    |
| 506,301                     | 1,410,314                        | -                   | 81,442              | 6,354,418                             |
| -                           | -                                | -                   | -                   | 166,371                               |
| <u>506,301</u>              | <u>1,410,314</u>                 | <u>-</u>            | <u>81,442</u>       | <u>6,520,789</u>                      |
| 127,731                     | 51,227                           | 12,536              | 1,727               | 1,156,690                             |
| -                           | -                                | -                   | -                   | 91,291                                |
| 48,569                      | 134,154                          | 5,083               | -                   | 508,315                               |
| 58,870                      | 58,065                           | 11,549              | 4,349               | 462,887                               |
| 176                         | -                                | -                   | -                   | 202                                   |
| -                           | 462,600                          | -                   | -                   | 462,600                               |
| -                           | -                                | 73,529              | 79,676              | 153,205                               |
| 25,155                      | 47,488                           | -                   | -                   | 72,643                                |
| 205                         | 93,610                           | -                   | -                   | 533,040                               |
| 6,144                       | -                                | 3,150               | 984                 | 35,239                                |
| 361,632                     | 1,100                            | 852                 | -                   | 1,530,745                             |
| -                           | -                                | -                   | -                   | 870,000                               |
| -                           | -                                | -                   | -                   | 657,528                               |
| <u>628,482</u>              | <u>848,244</u>                   | <u>106,699</u>      | <u>86,736</u>       | <u>6,534,385</u>                      |
| 31,806                      | 31,372                           | 6,240               | 3,290               | 251,028                               |
| -                           | -                                | -                   | -                   | 22,688,256                            |
| -                           | -                                | -                   | -                   | 3,448,485                             |
| -                           | -                                | 427,220             | 2,126,714           | 2,553,934                             |
| 99,583                      | 553,451                          | -                   | -                   | 653,034                               |
| -                           | -                                | -                   | -                   | 2,690,137                             |
| 170,106                     | 473,835                          | -                   | 27,363              | 2,134,946                             |
| <u>301,495</u>              | <u>1,058,658</u>                 | <u>433,460</u>      | <u>2,157,367</u>    | <u>34,419,820</u>                     |
| <u>929,977</u>              | <u>1,906,902</u>                 | <u>540,159</u>      | <u>2,244,103</u>    | <u>40,954,205</u>                     |
| 97,359                      | 271,196                          | -                   | 15,661              | 1,221,922                             |
| <u>97,359</u>               | <u>271,196</u>                   | <u>-</u>            | <u>15,661</u>       | <u>1,221,922</u>                      |
| 30,489,557                  | 8,210,157                        | 7,638,223           | 3,143,236           | 99,225,757                            |
| 1,305,970                   | 22,016                           | -                   | -                   | 1,327,986                             |
| -                           | -                                | -                   | -                   | 853,789                               |
| <u>3,026,832</u>            | <u>4,280,086</u>                 | <u>43,466</u>       | <u>(1,816,952)</u>  | <u>23,504,435</u>                     |
| <u>\$ 34,822,359</u>        | <u>\$ 12,512,259</u>             | <u>\$ 7,681,689</u> | <u>\$ 1,326,284</u> | <u>\$ 124,911,967</u>                 |

**CITY OF COLUMBIA, MISSOURI**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

|   | <b>Parking<br/>Facilities<br/>Fund</b> | <b>Recreational<br/>Services<br/>Fund</b> | <b>Storm<br/>Water<br/>Fund</b> | <b>Solid<br/>Waste<br/>Fund</b> |
|---|--|---|---------------------------------|---------------------------------|
| <b>OPERATING REVENUES:</b>                          |  |   |                                 |                                 |
| Charges for services                                | \$ 4,154,260                           | \$ 4,243,961                              | \$ 1,613,480                    | \$ 19,889,348                   |
| <b>OPERATING EXPENSES:</b>                          |  |   |                                 |                                 |
| Personal services                                   | 538,910                                | 3,635,982                                 | 481,402                         | 6,148,634                       |
| Materials, supplies, and power                      | 143,274                                | 1,020,471                                 | 136,037                         | 3,536,284                       |
| Travel and training                                 | 3,518                                  | 7,290                                     | 2,899                           | 8,016                           |
| Intragovernmental                                   | 192,011                                | 765,058                                   | 220,600                         | 2,344,825                       |
| Utilities, services, and miscellaneous              | 341,260                                | 1,131,793                                 | 71,477                          | 5,279,422                       |
| Depreciation  | 1,003,833                              | 688,325                                   | 506,186                         | 1,945,074                       |
| Total Operating Expenses                            | 2,222,806                              | 7,248,919                                 | 1,418,601                       | 19,262,255                      |
| Operating Income (Loss)                             | 1,931,454                              | (3,004,958)                               | 194,879                         | 627,093                         |
| <b>NONOPERATING REVENUES<br/>(EXPENSES):</b>        |  |   |                                 |                                 |
| Investment revenue                                  | 356,322                                | 35,654                                    | 62,993                          | 284,960                         |
| Revenue from other governmental<br>units            | -                                      | 6,470                                     | -                               | 62,689                          |
| Miscellaneous revenue                               | 416                                    | 110,333                                   | 12,150                          | 188,404                         |
| Interest expense                                    | (961,240)                              | (2,622)                                   | -                               | (122,505)                       |
| Loss on disposal of capital assets                  | (660)                                  | -   | (15,977)                        | (534,418)                       |
| Miscellaneous expense                               | (35,584)                               | (4,395)                                   | -                               | (22,581)                        |
| Total Nonoperating<br>Revenues (Expenses)           | (640,746)                              | 145,440                                   | 59,166                          | (143,451)                       |
| Income (Loss) Before<br>Contributions and Transfers | 1,290,708                              | (2,859,518)                               | 254,045                         | 483,642                         |
| Transfers in  | -                                      | 2,362,547                                 | 47,000                          | -                               |
| Transfers out                                       | (296,058)                              | (90,000)                                  | (182,448)                       | (188,081)                       |
| Capital contribution                                | -                                      | -   | -                               | -                               |
| Total Transfers & Contributions                     | (296,058)                              | 2,272,547                                 | (135,448)                       | (188,081)                       |
| Changes in Net Position                             | 994,650                                | (586,971)                                 | 118,597                         | 295,561                         |
| <b>NET POSITION-BEGINNING</b>                       | <b>15,736,483</b>                      | <b>15,096,135</b>                         | <b>10,346,916</b>               | <b>26,568,005</b>               |
| <b>NET POSITION-ENDING</b>                          | <b>\$ 16,731,133</b>                   | <b>\$ 14,509,164</b>                      | <b>\$ 10,465,513</b>            | <b>\$ 26,863,566</b>            |

**CITY OF COLUMBIA, MISSOURI**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

| <b>Regional<br/>Airport<br/>Fund</b> | <b>Public<br/>Transportation<br/>Fund</b> | <b>Railroad<br/>Fund</b> | <b>Transload<br/>Fund</b> | <b>Total Nonmajor<br/>Enterprise<br/>Funds</b> |
|--------------------------------------|---|--------------------------|---------------------------|--|
| \$ 712,502                           | \$ 2,031,376                              | \$ 331,815               | \$ 256,693                | \$ 33,233,435                                  |
| 1,326,809                            | 3,958,268                                 | 256,335                  | 98,125                    | 16,444,465                                     |
| 211,631                              | 1,297,631                                 | 48,461                   | 4,823                     | 6,398,612                                      |
| 22,694                               | 4,057                                     | -                        | -                         | 48,474   |
| 354,766                              | 1,051,908                                 | 85,888                   | 44,117                    | 5,059,173                                      |
| 910,202                              | 885,830                                   | 157,190                  | 112,262                   | 8,889,436                                      |
| <u>863,215</u>                       | <u>965,977</u>                            | <u>459,010</u>           | <u>69,476</u>             | <u>6,501,096</u>                               |
| <u>3,689,317</u>                     | <u>8,163,671</u>                          | <u>1,006,884</u>         | <u>328,803</u>            | <u>43,341,256</u>                              |
| <u>(2,976,815)</u>                   | <u>(6,132,295)</u>                        | <u>(675,069)</u>         | <u>(72,110)</u>           | <u>(10,107,821)</u>                            |
| 39,682                               | 45,067                                    | 8,173                    | 1,548                     | 834,399  |
| 183,558                              | 2,305,196                                 | -                        | -                         | 2,557,913                                      |
| 67,677                               | 49,810                                    | 13,284                   | -                         | 442,074  |
| (86,998)                             | (5,189)                                   | (20,574)                 | (11,032)                  | (1,210,160)                                    |
| -                                    | (32,282)                                  | -                        | -                         | (583,337)                                      |
| <u>-</u>                             | <u>(1,738)</u>                            | <u>-</u>                 | <u>-</u>                  | <u>(64,298)</u>                                |
| <u>203,919</u>                       | <u>2,360,864</u>                          | <u>883</u>               | <u>(9,484)</u>            | <u>1,976,591</u>                               |
| (2,772,896)                          | (3,771,431)                               | (674,186)                | (81,594)                  | (8,131,230)                                    |
| 3,183,552                            | 3,316,886                                 | 150,000                  | 208,650                   | 9,268,635                                      |
| -                                    | (1,530)                                   | -                        | (4,477)                   | (762,594)                                      |
| <u>4,122,543</u>                     | <u>22,016</u>                             | <u>-</u>                 | <u>-</u>                  | <u>4,144,559</u>                               |
| 7,306,095                            | 3,337,372                                 | 150,000                  | 204,173                   | 12,650,600                                     |
| 4,533,199                            | (434,059)                                 | (524,186)                | 122,579                   | 4,519,370                                      |
| <u>30,289,160</u>                    | <u>12,946,318</u>                         | <u>8,205,875</u>         | <u>1,203,705</u>          | <u>120,392,597</u>                             |
| <u>\$ 34,822,359</u>                 | <u>\$ 12,512,259</u>                      | <u>\$ 7,681,689</u>      | <u>\$ 1,326,284</u>       | <u>\$ 124,911,967</u>                          |

**CITY OF COLUMBIA, MISSOURI  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

|  | Parking<br>Facilities<br>Fund | Recreational<br>Services<br>Fund | Storm<br>Water<br>Fund | Solid<br>Waste<br>Fund |
|--|-------------------------------|----------------------------------|------------------------|------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>   |                               |                                  |                        |                        |
| Cash received from customers (including other funds)   | \$ 4,178,891                  | \$ 4,301,907                     | \$ 1,590,208           | \$ 19,749,482          |
| Cash received from other sources   | 416                           | 110,333                          | 12,150                 | 188,404                |
| Cash payments to suppliers   | (464,698)                     | (2,214,423)                      | (184,322)              | (6,215,784)            |
| Cash payments to employees   | (503,071)                     | (3,481,573)                      | (453,996)              | (5,724,438)            |
| Cash payments to other funds   | (192,011)                     | (765,058)                        | (220,600)              | (2,344,825)            |
| Cash received and payments for other expenses  | -                             | 26                               | -                      | -                      |
| Net cash provided for (used for) operating activities  | <u>3,019,527</u>              | <u>(2,048,788)</u>               | <u>743,440</u>         | <u>5,652,839</u>       |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>  |                               |                                  |                        |                        |
| Transfers from other funds   | -                             | 2,362,547                        | 47,000                 | -                      |
| Transfers to other funds   | (296,058)                     | (90,000)                         | (182,448)              | (188,081)              |
| Payments of advances from other funds  | (127,168)                     | (95,997)                         | -                      | (310,733)              |
| Revenue from other governmental units  | -                             | 6,470                            | -                      | 35,612                 |
| Net cash provided for noncapital financing activities  | <u>(423,226)</u>              | <u>2,183,020</u>                 | <u>(135,448)</u>       | <u>(463,202)</u>       |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>                                       |                               |                                  |                        |                        |
| Proceeds from bonds and loans  | 1,193,439                     | -                                | -                      | 1,275,073              |
| Debt service – interest payments   | (1,078,433)                   | (2,622)                          | -                      | (185,192)              |
| Debt service – principal   | (2,743,480)                   | -                                | -                      | (2,357,939)            |
| Acquisition and construction of capital assets   | (201,488)                     | (539,600)                        | (428,128)              | (4,808,205)            |
| Fiscal agent fees payments   | (35,584)                      | (4,395)                          | -                      | (22,581)               |
| Capital contributions, cash  | -                             | -                                | -                      | -                      |
| Net cash provided for (used for) capital and related financing activities                              | <u>(2,865,546)</u>            | <u>(546,617)</u>                 | <u>(428,128)</u>       | <u>(6,098,844)</u>     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES –</b>  |                               |                                  |                        |                        |
| Interest received  | <u>346,028</u>                | <u>36,219</u>                    | <u>62,551</u>          | <u>285,086</u>         |
| Net cash provided for investing activities   | <u>346,028</u>                | <u>36,219</u>                    | <u>62,551</u>          | <u>285,086</u>         |
| Net increase (decrease) in cash and cash equivalents   | 76,783                        | (376,166)                        | 242,415                | (624,121)              |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>  |                               |                                  |                        |                        |
|  | <u>5,503,613</u>              | <u>2,426,709</u>                 | <u>2,900,462</u>       | <u>15,601,021</u>      |
| <b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>  |                               |                                  |                        |                        |
|  | <u>\$ 5,580,396</u>           | <u>\$ 2,050,543</u>              | <u>\$ 3,142,877</u>    | <u>\$ 14,976,900</u>   |
| Displayed as:  |                               |                                  |                        |                        |
| Cash and cash equivalents  | \$ 3,280,780                  | \$ 2,050,543                     | \$ 3,142,877           | \$ 11,378,346          |
| Restricted assets  | 2,299,616                     | -                                | -                      | 3,598,554              |
|  | <u>\$ 5,580,396</u>           | <u>\$ 2,050,543</u>              | <u>\$ 3,142,877</u>    | <u>\$ 14,976,900</u>   |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) FOR OPERATING ACTIVITIES:</b> |                               |                                  |                        |                        |
| Operating income (loss)  | \$ 1,931,454                  | \$ (3,004,958)                   | \$ 194,879             | \$ 627,093             |
| Adjustments to reconcile operating income (loss) to net cash provided (used) for operating activities: |                               |                                  |                        |                        |
| Depreciation   | 1,003,833                     | 688,325                          | 506,186                | 1,945,074              |
| Changes in assets and liabilities:   |                               |                                  |                        |                        |
| Decrease (increase) in receivable  | 24,631                        | 57,946                           | (23,272)               | (139,866)              |
| Decrease (increase) in inventory   | -                             | -                                | -                      | (200,241)              |
| Decrease (increase) in prepaid items   | -                             | (1,264)                          | -                      | (600)                  |
| Increase (decrease) in accrued sales tax   | -                             | 26                               | -                      | -                      |
| Increase (decrease) in accounts payable  | (9,604)                       | (55,904)                         | 26,091                 | 205,379                |
| Increase (decrease) in accrued payroll   | (19,521)                      | (56,141)                         | (21,000)               | (133,967)              |
| Increase (decrease) in loans payable to other funds  | -                             | -                                | -                      | -                      |
| Increase (decrease) in due to other funds  | -                             | -                                | -                      | -                      |
| Increase (decrease) in other liabilities   | 32,958                        | 2,299                            | -                      | 2,603,400              |
| Increase (decrease) in pension related items   | 55,360                        | 210,550                          | 48,406                 | 558,163                |
| Other nonoperating revenue   | 416                           | 110,333                          | 12,150                 | 188,404                |
| Net cash provided for (used for) operating activities  | <u>\$ 3,019,527</u>           | <u>\$ (2,048,788)</u>            | <u>\$ 743,440</u>      | <u>\$ 5,652,839</u>    |
| <b>NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES:</b>                                    |                               |                                  |                        |                        |
| Change in fair value of investments  | \$ 8,178                      | \$ 5,268                         | \$ 7,038               | \$ 15,530              |
| Contribution of capital assets from government   | -                             | -                                | -                      | -                      |
| Construction contracts payable   | 481,929                       | 30,150                           | 19,554                 | 635,528                |
| Total noncash capital and related financing activities   | <u>\$ 490,107</u>             | <u>\$ 35,418</u>                 | <u>\$ 26,592</u>       | <u>\$ 651,058</u>      |

**CITY OF COLUMBIA, MISSOURI  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

| Regional<br>Airport<br>Fund | Public<br>Transportation<br>Fund | Railroad<br>Fund    | Transload<br>Fund  | Total Nonmajor<br>Enterprise<br>Funds |
|-----------------------------|----------------------------------|---------------------|--------------------|---------------------------------------|
| \$ 731,883                  | \$ 2,031,215                     | \$ 379,582          | \$ 177,086         | \$ 33,140,254                         |
| 67,677                      | 49,810                           | 13,284              | -                  | 442,074                               |
| (1,163,183)                 | (2,171,675)                      | (196,144)           | (113,221)          | (12,723,450)                          |
| (1,240,035)                 | (3,723,231)                      | (262,886)           | (87,251)           | (15,476,481)                          |
| (1,521,266)                 | (589,308)                        | (85,888)            | (44,117)           | (5,763,073)                           |
| 176                         | -                                | -                   | -                  | 202                                   |
| <u>(3,124,748)</u>          | <u>(4,403,189)</u>               | <u>(152,052)</u>    | <u>(67,503)</u>    | <u>(380,474)</u>                      |
| 3,183,552                   | 3,316,886                        | 150,000             | 208,650            | 9,268,635                             |
| -                           | (1,530)                          | -                   | (4,477)            | (762,594)                             |
| -                           | -                                | -                   | -                  | (533,898)                             |
| 183,558                     | 793,577                          | -                   | -                  | 1,019,217                             |
| <u>3,367,110</u>            | <u>4,108,933</u>                 | <u>150,000</u>      | <u>204,173</u>     | <u>8,991,360</u>                      |
| -                           | -                                | -                   | -                  | 2,468,512                             |
| (86,998)                    | (5,189)                          | (20,574)            | (11,032)           | (1,390,040)                           |
| (25,155)                    | (47,061)                         | (73,528)            | -                  | (5,247,163)                           |
| (7,046,988)                 | (82,427)                         | (113,374)           | -                  | (13,220,210)                          |
| -                           | (1,738)                          | -                   | -                  | (64,298)                              |
| 5,720,730                   | 3,617                            | -                   | -                  | 5,724,347                             |
| <u>(1,438,411)</u>          | <u>(132,798)</u>                 | <u>(207,476)</u>    | <u>(11,032)</u>    | <u>(11,728,852)</u>                   |
| 41,220                      | 46,230                           | 8,487               | 1,345              | 827,166                               |
| 41,220                      | 46,230                           | 8,487               | 1,345              | 827,166                               |
| (1,154,829)                 | (380,824)                        | (201,041)           | 126,983            | (2,290,800)                           |
| 4,491,596                   | 2,151,105                        | 577,269             | 79,366             | 33,731,141                            |
| <u>\$ 3,336,767</u>         | <u>\$ 1,770,281</u>              | <u>\$ 376,228</u>   | <u>\$ 206,349</u>  | <u>\$ 31,440,341</u>                  |
| \$ 3,336,767                | \$ 1,770,281                     | \$ 376,228          | \$ 206,349         | \$ 25,542,171                         |
| -                           | -                                | -                   | -                  | 5,898,170                             |
| <u>\$ 3,336,767</u>         | <u>\$ 1,770,281</u>              | <u>\$ 376,228</u>   | <u>\$ 206,349</u>  | <u>\$ 31,440,341</u>                  |
| \$ (2,976,815)              | \$ (6,132,295)                   | \$ (675,069)        | \$ (72,110)        | \$ (10,107,821)                       |
| 863,215                     | 965,977                          | 459,010             | 69,476             | 6,501,096                             |
| 19,381                      | (161)                            | 45,047              | (79,607)           | (95,901)                              |
| -                           | -                                | 10,706              | -                  | (189,535)                             |
| (136)                       | 1,750                            | -                   | 8,802              | 8,552                                 |
| 176                         | -                                | -                   | -                  | 202                                   |
| (17,712)                    | 2,230                            | (1,199)             | (4,938)            | 144,343                               |
| (8,904)                     | (64,699)                         | (6,551)             | (6,983)            | (317,766)                             |
| -                           | -                                | 2,720               | -                  | 2,720                                 |
| (1,166,500)                 | 462,600                          | -                   | -                  | (703,900)                             |
| (808)                       | 11,863                           | -                   | -                  | 2,649,712                             |
| 95,678                      | 299,736                          | -                   | 17,857             | 1,285,750                             |
| 67,677                      | 49,810                           | 13,284              | -                  | 442,074                               |
| <u>\$ (3,124,748)</u>       | <u>\$ (4,403,189)</u>            | <u>\$ (152,052)</u> | <u>\$ (67,503)</u> | <u>\$ (380,474)</u>                   |
| \$ (14,994)                 | \$ 8,750                         | \$ (509)            | \$ 265             | \$ 29,526                             |
| 1,598,187                   | (18,399)                         | -                   | -                  | 1,579,788                             |
| 361,632                     | 1,100                            | 852                 | -                  | 1,530,745                             |
| <u>\$ 1,944,825</u>         | <u>\$ (8,549)</u>                | <u>\$ 343</u>       | <u>\$ 265</u>      | <u>\$ 3,140,059</u>                   |



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## INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

**Custodial and Maintenance Services Fund** - to account for the provision of custodial services and building maintenance for City departments.

**Utility Customer Services Fund** - to account for utility accounts billing and customer service provided by the Finance Department for the Water and Electric, Sanitary Sewer, Solid Waste and Storm Water utilities.

**Information Technology Fund** - to account for the provision of hardware infrastructure to support the computing requirements of the City, as well as developing or implementing software to improve the operating efficiencies of departments within the City.

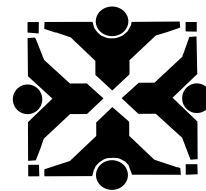
**Public Communications Fund** - to account for the provision of printing, copying, interdepartmental mail, and postage services to City departments, as well as cable television operations.

**Fleet Operations Fund** - to account for operating an automotive and equipment maintenance facility, and for fuel used by City departments.

**Self Insurance Reserve Fund** - to account for the payment of property and casualty losses, and uninsured workers' compensation claims.

**GIS Fund** - to account for the provision of geospatial technologies including computer, mapping, geographic information systems, global positioning systems, remote sensing, and the accompanying spatial data to all City departments.

**Employee Benefit Fund** - to account for the City of Columbia's self-insurance program for health, disability and life insurance for covered employees. Other employee benefits accounted for in this fund include retirement sick leave, medical services, service awards, cafeteria plan and employee health/wellness.



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**CITY OF COLUMBIA, MISSOURI  
COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
SEPTEMBER 30, 2016**

|  | <u>Custodial and<br/>Maintenance<br/>Services Fund</u> | <u>Utility<br/>Customer<br/>Services Fund</u> | <u>Information<br/>Technology<br/>Fund</u> |
|--|--|---|--|
| <b>ASSETS</b>  |  |   |  |
| <b>CURRENT ASSETS:</b>                                       |  |   |  |
| Cash and cash equivalents                                    | \$ 1,012,547   | \$ 1,265,794                                  | \$ 2,921,383                               |
| Investments  | -  | -   | -  |
| Receivable, net  | -  | (53,844)                                      | 6,343                                      |
| Grants receivable  | -  | -   | -  |
| Accrued interest   | 1,660  | 2,071   | 4,770                                      |
| Inventory  | 14,204   | -   | -  |
| Prepaid items  | -  | 15  | 19,614                                     |
| <b>Total Current Assets</b>                                  | <u>1,028,411</u>                                       | <u>1,214,036</u>                              | <u>2,952,110</u>                           |
| <b>CAPITAL ASSETS:</b>                                       |  |   |  |
| Land   | -  | -   | -  |
| Buildings  | -  | -   | -  |
| Improvements other than buildings                            | 253,813  | -   | 35,506                                     |
| Furniture, fixtures and equipment                            | 185,069  | 32,500  | 5,635,399                                  |
| Less accumulated depreciation                                | (193,738)  | (32,500)                                      | (5,076,188)                                |
| <b>Total Capital Assets</b>                                  | <u>245,144</u>   | <u>-</u>                                      | <u>594,717</u>                             |
| <b>TOTAL ASSETS</b>  | <u>1,273,555</u>                                       | <u>1,214,036</u>                              | <u>3,546,827</u>                           |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                        |  |   |  |
| Outflows related to pension                                  | <u>476,982</u>   | <u>494,085</u>                                | <u>955,593</u>                             |
| <b>LIABILITIES AND NET POSITION</b>                          |  |   |  |
| <b>LIABILITIES:</b>  |  |   |  |
| <b>Current liabilities:</b>                                  |  |   |  |
| Accounts payable   | 45,308   | 102,778                                       | 220,582                                    |
| Accrued payroll and payroll taxes                            | 21,859   | 27,938  | 97,209                                     |
| Accrued compensated absences                                 | 19,532   | 25,924  | 134,818                                    |
| Claims payable - health insurance                            | -  | -   | -  |
| Claims payable - worker's compensation and general liability | -  | -   | -  |
| Obligations under capital leases                             | -  | -   | 10,132                                     |
| Other liabilities  | -  | -   | -  |
| <b>Total current liabilities</b>                             | <u>86,699</u>  | <u>156,640</u>                                | <u>462,741</u>                             |
| <b>Noncurrent liabilities:</b>                               |  |   |  |
| Accrued compensated absences                                 | 10,553   | 14,006  | 72,839                                     |
| Claims payable - worker's compensation and general liability | -  | -   | -  |
| Net pension liability  | 160,256  | 166,002                                       | 321,058                                    |
| <b>Total noncurrent liabilities</b>                          | <u>170,809</u>   | <u>180,008</u>                                | <u>393,897</u>                             |
| <b>Total Liabilities</b>                                     | <u>257,508</u>   | <u>336,648</u>                                | <u>856,638</u>                             |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                         |  |   |  |
| Inflows related to pension                                   | <u>91,721</u>  | <u>95,010</u>                                 | <u>183,756</u>                             |
| <b>Total liabilities and deferred inflows of resources</b>   | <u>349,229</u>   | <u>431,658</u>                                | <u>1,040,394</u>                           |
| <b>NET POSITION</b>  |  |   |  |
| Net investment in capital assets                             | 245,144  | -   | 584,585                                    |
| Unrestricted   | <u>1,156,164</u>                                       | <u>1,276,463</u>                              | <u>2,877,441</u>                           |
| <b>Total Net Position</b>                                    | <u>\$ 1,401,308</u>                                    | <u>\$ 1,276,463</u>                           | <u>\$ 3,462,026</u>                        |

**CITY OF COLUMBIA, MISSOURI  
COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
SEPTEMBER 30, 2016**

| <b>Community<br/>Relations<br/>Fund</b> | <b>Fleet<br/>Operations<br/>Fund</b> | <b>Self Insurance<br/>Reserve<br/>Fund</b> | <b>GIS<br/>Fund</b> | <b>Employee<br/>Benefit<br/>Fund</b> | <b>Total<br/>Internal Service<br/>Funds</b> |
|---|--------------------------------------|--|---------------------|--------------------------------------|---|
| \$ 1,552,407                            | \$ 1,407,755                         | \$ 12,014,759                              | \$ 362,098          | \$ 2,926,735                         | \$ 23,463,478                               |
| -                                       | -                                    | 1,300,767                                  | -                   | -                                    | 1,300,767                                   |
| 138,765                                 | 11,942                               | -  | -                   | 352,524                              | 455,730                                     |
| -                                       | -                                    | -  | 13,260              | -                                    | 13,260                                      |
| 2,564                                   | 2,377                                | 19,189                                     | 583                 | 4,852                                | 38,066                                      |
| 4,052                                   | 905,007                              | -  | -                   | -                                    | 923,263                                     |
| 250                                     | 13                                   | -  | -                   | -                                    | 19,892                                      |
| <u>1,698,038</u>                        | <u>2,327,094</u>                     | <u>13,334,715</u>                          | <u>375,941</u>      | <u>3,284,111</u>                     | <u>26,214,456</u>                           |
| -                                       | 308,563                              | -  | -                   | -                                    | 308,563                                     |
| -                                       | 1,014,490                            | -  | -                   | -                                    | 1,014,490                                   |
| -                                       | 602,460                              | -  | -                   | -                                    | 891,779                                     |
| 1,151,731                               | 978,239                              | 33,350                                     | 7,790               | -                                    | 8,024,078                                   |
| (835,352)                               | (903,723)                            | (33,350)                                   | (3,679)             | -                                    | (7,078,530)                                 |
| <u>316,379</u>                          | <u>2,000,029</u>                     | <u>-</u>                                   | <u>4,111</u>        | <u>-</u>                             | <u>3,160,380</u>                            |
| <u>2,014,417</u>                        | <u>4,327,123</u>                     | <u>13,334,715</u>                          | <u>380,052</u>      | <u>3,284,111</u>                     | <u>29,374,836</u>                           |
| <u>502,229</u>                          | <u>1,037,850</u>                     | <u>116,735</u>                             | <u>169,944</u>      | <u>185,689</u>                       | <u>3,939,107</u>                            |
| 9,401                                   | 385,098                              | 2,087                                      | 6,690               | 201,592                              | 973,536                                     |
| 38,343                                  | 73,399                               | 8,100                                      | 17,545              | 30,329                               | 314,722                                     |
| 31,865                                  | 74,233                               | 12,853                                     | 21,728              | 13,091                               | 334,044                                     |
| -                                       | -                                    | -  | -                   | 1,075,710                            | 1,075,710                                   |
| -                                       | -                                    | 2,279,489                                  | -                   | -                                    | 2,279,489                                   |
| -                                       | -                                    | -  | -                   | -                                    | 10,132                                      |
| -                                       | -                                    | -  | -                   | 43,285                               | 43,285                                      |
| <u>79,609</u>                           | <u>532,730</u>                       | <u>2,302,529</u>                           | <u>45,963</u>       | <u>1,364,007</u>                     | <u>5,030,918</u>                            |
| 17,216                                  | 40,107                               | 6,945                                      | 11,739              | 7,073                                | 180,478                                     |
| -                                       | -                                    | 4,222,387                                  | -                   | -                                    | 4,222,387                                   |
| 168,738                                 | 348,695                              | 39,220                                     | 57,097              | 62,387                               | 1,323,453                                   |
| 185,954                                 | 388,802                              | 4,268,552                                  | 68,836              | 69,460                               | 5,726,318                                   |
| <u>265,563</u>                          | <u>921,532</u>                       | <u>6,571,081</u>                           | <u>114,799</u>      | <u>1,433,467</u>                     | <u>10,757,236</u>                           |
| 96,576                                  | 199,573                              | 22,447                                     | 32,679              | 35,707                               | 757,469                                     |
| 362,139                                 | 1,121,105                            | 6,593,528                                  | 147,478             | 1,469,174                            | 11,514,705                                  |
| 316,379                                 | 2,000,029                            | -  | 4,111               | -                                    | 3,150,248                                   |
| 1,838,128                               | 2,243,839                            | 6,857,922                                  | 398,407             | 2,000,626                            | 18,648,990                                  |
| <u>\$ 2,154,507</u>                     | <u>\$ 4,243,868</u>                  | <u>\$ 6,857,922</u>                        | <u>\$ 402,518</u>   | <u>\$ 2,000,626</u>                  | <u>\$ 21,799,238</u>                        |

**CITY OF COLUMBIA, MISSOURI**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

|   | <b>Custodial and<br/>Maintenance<br/>Services Fund</b> | <b>Utility<br/>Customer<br/>Services Fund</b> | <b>Information<br/>Technology<br/>Fund</b> |
|---|--|---|--|
| <b>OPERATING REVENUES:</b>                    |  |   |  |
| Charges for services and other benefits       | <u>\$ 1,589,243</u>                                    | <u>\$ 2,725,192</u>                           | <u>\$ 6,211,450</u>                        |
| <b>OPERATING EXPENSES:</b>                    |  |   |  |
| Personal services                             | 788,506  | 936,214                                       | 3,099,219                                  |
| Materials and supplies                        | 211,632  | 59,904  | 576,527                                    |
| Travel and training                           | 3,719  | 5,330   | 97,820                                     |
| Intragovernmental                             | 22,383   | 357,287                                       | 16,514                                     |
| Utilities, services, and miscellaneous        | 458,066  | 1,444,957                                     | 1,362,544                                  |
| Depreciation                                  | <u>15,633</u>  | <u>-</u>                                      | <u>246,980</u>                             |
| <b>TOTAL OPERATING EXPENSES</b>               | <u>1,499,939</u>                                       | <u>2,803,692</u>                              | <u>5,399,604</u>                           |
| <b>OPERATING INCOME (LOSS)</b>                | <u>89,304</u>  | <u>(78,500)</u>                               | <u>811,846</u>                             |
| <b>NONOPERATING REVENUES (EXPENSES):</b>      |  |   |  |
| Investment revenue                            | 19,481   | 23,637  | 40,823                                     |
| Revenue from other governmental units         | -  | -   | -  |
| Miscellaneous revenue                         | 89   | 332,948                                       | 4,405                                      |
| Interest expense                              | -  | -   | (427)                                      |
| Loss on disposal of fixed assets              | <u>-</u>   | <u>-</u>                                      | <u>-</u>                                   |
| <b>TOTAL NONOPERATING REVENUES (EXPENSES)</b> | <u>19,570</u>  | <u>356,585</u>                                | <u>44,801</u>                              |
| <b>INCOME (LOSS) BEFORE TRANSFERS</b>         | 108,874  | 278,085                                       | 856,647                                    |
| Transfers in                                  | -  | -   | -  |
| Transfers out                                 | <u>(69,646)</u>  | <u>(108,210)</u>                              | <u>(273,520)</u>                           |
| <b>CHANGE IN NET POSITION</b>                 | 39,228   | 169,875                                       | 583,127                                    |
| <b>NET POSITION-BEGINNING</b>                 | <u>1,362,080</u>                                       | <u>1,106,588</u>                              | <u>2,878,899</u>                           |
| <b>NET POSITION-ENDING</b>                    | <u><u>\$ 1,401,308</u></u>                             | <u><u>\$ 1,276,463</u></u>                    | <u><u>\$ 3,462,026</u></u>                 |

**CITY OF COLUMBIA, MISSOURI**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

| <u>Community<br/>Relations<br/>Fund</u> | <u>Fleet<br/>Operations<br/>Fund</u> | <u>Self Insurance<br/>Reserve<br/>Fund</u> | <u>GIS<br/>Fund</u> | <u>Employee<br/>Benefit<br/>Fund</u> | <u>Total<br/>Internal Service<br/>Funds</u> |
|---|--------------------------------------|--|---------------------|--------------------------------------|---|
| \$ 1,730,143                            | \$ 8,156,399                         | \$ 5,759,704                               | \$ 487,194          | \$ 15,699,684                        | \$ 42,359,009                               |
| 1,188,187                               | 2,501,251                            | 305,138                                    | 528,736             | 506,866                              | 9,854,117                                   |
| 223,150                                 | 5,278,507                            | 1,807                                      | 15,660              | 54,187                               | 6,421,374                                   |
| 6,836                                   | 13,238                               | 4,695                                      | 19,387              | 18,536                               | 169,561                                     |
| 14,727                                  | 172,703                              | 328  | 3,763               | 2,732                                | 590,437                                     |
| 134,774                                 | 75,603                               | 3,868,614                                  | 184,696             | 16,384,829                           | 23,914,083                                  |
| 66,785                                  | 76,368                               | -  | 2,597               | -                                    | 408,363                                     |
| <u>1,634,459</u>                        | <u>8,117,670</u>                     | <u>4,180,582</u>                           | <u>754,839</u>      | <u>16,967,150</u>                    | <u>41,357,935</u>                           |
| <u>95,684</u>                           | <u>38,729</u>                        | <u>1,579,122</u>                           | <u>(267,645)</u>    | <u>(1,267,466)</u>                   | <u>1,001,074</u>                            |
| 30,705                                  | 23,878                               | 209,784                                    | 8,646               | 67,944                               | 424,898                                     |
| -                                       | -                                    | -  | 84,824              | -                                    | 84,824                                      |
| 720                                     | 168,553                              | 63,101                                     | 55                  | 68,171                               | 638,042                                     |
| -                                       | -                                    | -  | -                   | -                                    | (427)                                       |
| <u>(4,700)</u>                          | <u>(9,920)</u>                       | <u>-</u>                                   | <u>-</u>            | <u>-</u>                             | <u>(14,620)</u>                             |
| <u>26,725</u>                           | <u>182,511</u>                       | <u>272,885</u>                             | <u>93,525</u>       | <u>136,115</u>                       | <u>1,132,717</u>                            |
| 122,409                                 | 221,240                              | 1,852,007                                  | (174,120)           | (1,131,351)                          | 2,133,791                                   |
| 50,000                                  | -                                    | -  | -                   | -                                    | 50,000                                      |
| <u>(119,562)</u>                        | <u>(5,625)</u>                       | <u>(35,845)</u>                            | <u>-</u>            | <u>(21,868)</u>                      | <u>(634,276)</u>                            |
| 52,847                                  | 215,615                              | 1,816,162                                  | (174,120)           | (1,153,219)                          | 1,549,515                                   |
| <u>2,101,660</u>                        | <u>4,028,253</u>                     | <u>5,041,760</u>                           | <u>576,638</u>      | <u>3,153,845</u>                     | <u>20,249,723</u>                           |
| <u>\$ 2,154,507</u>                     | <u>\$ 4,243,868</u>                  | <u>\$ 6,857,922</u>                        | <u>\$ 402,518</u>   | <u>\$ 2,000,626</u>                  | <u>\$ 21,799,238</u>                        |

**CITY OF COLUMBIA, MISSOURI  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

|  | <b>Custodial and<br/>Maintenance<br/>Services Fund</b> | <b>Utility<br/>Customer<br/>Services Fund</b> | <b>Information<br/>Technology<br/>Fund</b> |
|--|--|---|--|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>   |  |   |  |
| Cash received from customers (including other funds)   | \$ 1,589,243   | \$ 2,785,215                                  | \$ 6,210,699                               |
| Cash received from other sources   | 89   | 332,948                                       | 4,405                                      |
| Cash payments to suppliers   | (655,056)  | (1,505,463)                                   | (1,943,533)                                |
| Cash payments to employees   | (723,969)  | (901,057)                                     | (2,971,259)                                |
| Cash payments to other funds   | (22,383)   | (357,287)                                     | (16,514)                                   |
| Net cash provided for (used for) operating activities  | <u>187,924</u>   | <u>354,356</u>                                | <u>1,283,798</u>                           |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>  |  |   |  |
| Transfers in   | -  | -   | -  |
| Transfers out  | (69,646)   | (108,210)                                     | (273,520)                                  |
| Operating grants   | -  | -   | -  |
| Net cash provided for (used for) noncapital financing activities                                       | <u>(69,646)</u>  | <u>(108,210)</u>                              | <u>(273,520)</u>                           |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>                                       |  |   |  |
| Debt service – interest  | -  | -   | (427)                                      |
| Debt service – principal   | -  | -   | (24,001)                                   |
| Acquisition and construction of capital assets   | -  | -   | (118,125)                                  |
| Net cash provided for (used for) capital and related financing activities                              | <u>-</u>   | <u>-</u>                                      | <u>(142,553)</u>                           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>   |  |   |  |
| Interest received  | 19,243   | 23,186  | 39,359                                     |
| Purchase of investments  | -  | -   | -  |
| Sale of investments  | -  | -   | -  |
| Net cash provided for investing activities   | <u>19,243</u>  | <u>23,186</u>                                 | <u>39,359</u>                              |
| Net increase (decrease) in cash and cash equivalents   | 137,521  | 269,332                                       | 907,084                                    |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD   | <u>875,026</u>   | <u>996,462</u>                                | <u>2,014,299</u>                           |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD   | <u>\$ 1,012,547</u>                                    | <u>\$ 1,265,794</u>                           | <u>\$ 2,921,383</u>                        |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) FOR OPERATING ACTIVITIES:</b> |  |   |  |
| Operating income (loss)  | \$ 89,304  | \$ (78,500)                                   | \$ 811,846                                 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) for operating activities: |  |   |  |
| Depreciation   | 15,633   | -   | 246,980                                    |
| Changes in assets and liabilities:   |  |   |  |
| Decrease (increase) in receivables   | -  | 60,023  | (751)                                      |
| Decrease (increase) in inventory   | 4,824  | -   | -  |
| Decrease (increase) in prepaid items   | 370  | 1,555   | 12,818                                     |
| Increase (decrease) in accounts payable  | 13,167   | 3,173   | 80,540                                     |
| Increase in accrued payroll  | (15,667)   | (15,599)                                      | (51,583)                                   |
| Increase (decrease) in due other funds   | -  | -   | -  |
| Increase (decrease) in other liabilities   | -  | -   | -  |
| Increase in claims payable - workers' compensation and general liability and health insurance          | -  | -   | -  |
| Increase (decrease) in pension related items   | 80,204   | 50,756  | 179,543                                    |
| Other nonoperating revenue   | 89   | 332,948                                       | 4,405                                      |
| Net cash provided for (used for) operating activities  | <u>\$ 187,924</u>                                      | <u>\$ 354,356</u>                             | <u>\$ 1,283,798</u>                        |
| <b>NONCASH INVESTING ACTIVITIES:</b>   |  |   |  |
| Change in fair value of investments  | \$ 2,292   | \$ 2,784                                      | \$ 21,626                                  |
| Capital lease obligations  | -  | -   | 34,133                                     |
| Total noncash capital and related financing activities   | <u>\$ 2,292</u>  | <u>\$ 2,784</u>                               | <u>\$ 55,759</u>                           |



**CITY OF COLUMBIA, MISSOURI  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

| Community<br>Relations<br>Fund | Fleet<br>Operations<br>Fund | Self Insurance<br>Reserve<br>Fund | GIS<br>Fund         | Employee<br>Benefit<br>Fund | Total<br>Internal Service<br>Funds |
|--------------------------------|-----------------------------|-----------------------------------|---------------------|-----------------------------|------------------------------------|
| \$ 1,734,509                   | \$ 8,176,433                | \$ 5,938,208                      | \$ 487,194          | \$ 15,554,520               | \$ 42,476,021                      |
| 720                            | 168,553                     | 63,101                            | 55                  | 68,171                      | 638,042                            |
| (419,004)                      | (5,450,438)                 | (3,872,543)                       | (254,530)           | (16,503,595)                | (30,604,162)                       |
| (1,150,468)                    | (2,338,988)                 | (314,023)                         | (505,055)           | (506,639)                   | (9,411,458)                        |
| (14,727)                       | (172,703)                   | (328)                             | (3,763)             | (2,732)                     | (590,437)                          |
| <u>151,030</u>                 | <u>382,857</u>              | <u>1,814,415</u>                  | <u>(276,099)</u>    | <u>(1,390,275)</u>          | <u>2,508,006</u>                   |
| 50,000                         | -                           | -                                 | -                   | -                           | 50,000                             |
| (119,562)                      | (5,625)                     | (35,845)                          | -                   | (21,868)                    | (634,276)                          |
| -                              | -                           | -                                 | 101,769             | -                           | 101,769                            |
| <u>(69,562)</u>                | <u>(5,625)</u>              | <u>(35,845)</u>                   | <u>101,769</u>      | <u>(21,868)</u>             | <u>(482,507)</u>                   |
| -                              | -                           | -                                 | -                   | -                           | (427)                              |
| -                              | -                           | -                                 | -                   | -                           | (24,001)                           |
| <u>(72,326)</u>                | <u>(34,463)</u>             | <u>-</u>                          | <u>-</u>            | <u>-</u>                    | <u>(224,914)</u>                   |
| <u>(72,326)</u>                | <u>(34,463)</u>             | <u>-</u>                          | <u>-</u>            | <u>-</u>                    | <u>(249,342)</u>                   |
| 30,593                         | 23,258                      | 199,054                           | 8,898               | 69,975                      | 413,566                            |
| -                              | -                           | (1,300,767)                       | -                   | -                           | (1,300,767)                        |
| -                              | -                           | 4,862,414                         | -                   | -                           | 4,862,414                          |
| <u>30,593</u>                  | <u>23,258</u>               | <u>3,760,701</u>                  | <u>8,898</u>        | <u>69,975</u>               | <u>3,975,213</u>                   |
| 39,735                         | 366,027                     | 5,539,271                         | (165,432)           | (1,342,168)                 | 5,751,370                          |
| 1,512,672                      | 1,041,728                   | 6,475,488                         | 527,530             | 4,268,903                   | 17,712,108                         |
| <u>\$ 1,552,407</u>            | <u>\$ 1,407,755</u>         | <u>\$ 12,014,759</u>              | <u>\$ 362,098</u>   | <u>\$ 2,926,735</u>         | <u>\$ 23,463,478</u>               |
| \$ 95,684                      | \$ 38,729                   | \$ 1,579,122                      | \$ (267,645)        | \$ (1,267,466)              | \$ 1,001,074                       |
| 66,785                         | 76,368                      | -                                 | 2,597               | -                           | 408,363                            |
| 4,366                          | 20,034                      | 2,995                             | -                   | (144,860)                   | (58,193)                           |
| 1,228                          | (26,260)                    | -                                 | -                   | -                           | (20,208)                           |
| 649                            | 33                          | 1,058                             | 1,951               | 7,666                       | 26,100                             |
| (56,121)                       | (56,863)                    | 1,515                             | (36,738)            | 23,536                      | (27,791)                           |
| 9,236                          | (56,438)                    | (9,108)                           | 5,983               | (42,114)                    | (175,290)                          |
| -                              | -                           | (2,994)                           | -                   | (304)                       | (3,298)                            |
| -                              | -                           | -                                 | -                   | (22,055)                    | (22,055)                           |
| -                              | -                           | 178,503                           | -                   | (55,190)                    | 123,313                            |
| 28,483                         | 218,701                     | 223                               | 17,698              | 42,341                      | 617,949                            |
| 720                            | 168,553                     | 63,101                            | 55                  | 68,171                      | 638,042                            |
| <u>\$ 151,030</u>              | <u>\$ 382,857</u>           | <u>\$ 1,814,415</u>               | <u>\$ (276,099)</u> | <u>\$ (1,390,275)</u>       | <u>\$ 2,508,006</u>                |
| \$ 14,838                      | \$ 3,305                    | \$ 24,705                         | \$ 1,066            | \$ 5,355                    | \$ 75,971                          |
| -                              | -                           | -                                 | -                   | -                           | 34,133                             |
| <u>\$ 14,838</u>               | <u>\$ 3,305</u>             | <u>\$ 24,705</u>                  | <u>\$ 1,066</u>     | <u>\$ 5,355</u>             | <u>\$ 110,104</u>                  |

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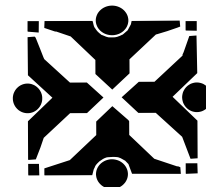
## FIDUCIARY FUNDS

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the City's own programs.

**Police and Firefighters' Retirement Funds** - to account for the accumulation of resources for pension benefit payments to qualified police and firefighter personnel.

**Other Post Employment Benefit Trust Fund** - to account for the accumulation of resources for post employment benefits to qualified plan participants.

**Agency Funds** - to report funds held for Daniel Boone Regional Library until requested by the Library board, and the Tiger Hotel and Regency Hotel TIF funds.



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**CITY OF COLUMBIA, MISSOURI**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2016**

|                                   | <b>Pension Trust and OPEB Funds</b>      |                                   |                     |                       |
|-----------------------------------|--|-----------------------------------|---------------------|-----------------------|
|                                   | <b>Firefighters'<br/>Retirement Fund</b> | <b>Police<br/>Retirement Fund</b> | <b>OPEB</b>         | <b>Total</b>          |
| <b>ASSETS</b>                     |  |                                   |                     |                       |
| Cash and cash equivalents         | \$ -                                     | \$ -                              | \$ 505,427          | \$ 505,427            |
| Accrued interest                  | 177,235                                  | 119,217                           | 863                 | 297,315               |
| Investments                       | 72,609,189                               | 48,840,714                        | 2,689,471           | 124,139,374           |
| Capital assets                    | 6,987                                    | 4,700                             | -                   | 11,687                |
| Accumulated depreciation          | (6,987)                                  | (4,700)                           | -                   | (11,687)              |
| <b>Total Assets</b>               | <b>72,786,424</b>                        | <b>48,959,931</b>                 | <b>3,195,761</b>    | <b>124,942,116</b>    |
| <b>LIABILITIES</b>                |  |                                   |                     |                       |
| Accrued payroll and payroll taxes | 14,585                                   | 9,727                             | -                   | 24,312                |
| Due to other funds                | 1,037,867                                | 698,123                           | -                   | 1,735,990             |
| <b>Total Liabilities</b>          | <b>1,052,452</b>                         | <b>707,850</b>                    | <b>-</b>            | <b>1,760,302</b>      |
| <b>NET POSITION</b>               |  |                                   |                     |                       |
| Net position held in trust        | 71,733,972                               | 48,252,081                        | 3,195,761           | 123,181,814           |
| <b>Total Net Position</b>         | <b>\$ 71,733,972</b>                     | <b>\$ 48,252,081</b>              | <b>\$ 3,195,761</b> | <b>\$ 123,181,814</b> |

**CITY OF COLUMBIA, MISSOURI**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

|   | <b>Pension Trust and OPEB Funds</b>      |                                   |                     |                       |
|---|--|-----------------------------------|---------------------|-----------------------|
|   | <b>Firefighters'<br/>Retirement Fund</b> | <b>Police<br/>Retirement Fund</b> | <b>OPEB</b>         | <b>Total</b>          |
| <b>ADDITIONS</b>  |  |                                   |                     |                       |
| Contributions:  |  |                                   |                     |                       |
| City  | \$ 5,226,250                             | \$ 3,812,192                      | \$ -                | \$ 9,038,442          |
| Employee  | 1,212,139                                | 341,495                           | -                   | 1,553,634             |
| Net investment income:  |  |                                   |                     |                       |
| Interest and dividends (includes net appreciation in fair value of investments, net of investment fees) | 4,266,438                                | 2,850,982                         | 253,998             | 7,371,418             |
| <b>Total additions</b>  | <b>10,704,827</b>                        | <b>7,004,669</b>                  | <b>253,998</b>      | <b>17,963,494</b>     |
| Current:  |  |                                   |                     |                       |
| Policy development and administration:  |  |                                   |                     |                       |
| Travel and training   | 2,743                                    | 1,833                             | -                   | 4,576                 |
| Intragovernmental   | 28,957                                   | 19,349                            | -                   | 48,306                |
| Utilities, services, and miscellaneous  | 37,252                                   | 24,893                            | 1,000               | 63,145                |
| Pension benefits  | 7,786,819                                | 4,417,623                         | -                   | 12,204,442            |
| Refund of employee's contributions  | 143,946                                  | 99,507                            | -                   | 243,453               |
| <b>Total deductions</b>   | <b>7,999,717</b>                         | <b>4,563,205</b>                  | <b>1,000</b>        | <b>12,563,922</b>     |
| Change in net position  | 2,705,110                                | 2,441,464                         | 252,998             | 5,399,572             |
| NET POSITION- BEGINNING   | 69,028,862                               | 45,810,617                        | 2,942,763           | 117,782,242           |
| NET POSITION- ENDING  | <u>\$ 71,733,972</u>                     | <u>\$ 48,252,081</u>              | <u>\$ 3,195,761</u> | <u>\$ 123,181,814</u> |

**CITY OF COLUMBIA, MISSOURI**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**SEPTEMBER 30, 2016**

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|                           | <b>Collections<br/>for other<br/>taxing units</b> | <b>Total</b>        |
|---------------------------|---|---------------------|
| <b>ASSETS</b>             |   |                     |
| Cash and cash equivalents | \$ 5,546,455                                      | \$ 5,546,455        |
| Accounts receivable       | 126,905   | 126,905             |
| Taxes receivable, net     | 3,955,104   | 3,955,104           |
| Accrued interest          | 9,177   | 9,177               |
| <b>Total Assets</b>       | <b>\$ 9,637,641</b>                               | <b>\$ 9,637,641</b> |
| <b>LIABILITIES</b>        |   |                     |
| Accounts Payable          | \$ 237,602  | \$ 237,602          |
| Due to other entities     | 3,949,689   | 3,949,689           |
| Other liabilities         | 5,450,350   | 5,450,350           |
| <b>Total Liabilities</b>  | <b>\$ 9,637,641</b>                               | <b>\$ 9,637,641</b> |

**CITY OF COLUMBIA, MISSOURI**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

|                           | <b>Balance<br/>October 1<br/>2015</b> | <b>Additions</b>    | <b>Deductions</b>   | <b>Balance<br/>September 30<br/>2016</b> |
|---------------------------|---------------------------------------|---------------------|---------------------|--|
| <b>ASSETS</b>             |                                       |                     |                     |  |
| Cash and cash equivalents | \$ 4,879,971                          | \$ 4,665,400        | \$ 3,998,916        | \$ 5,546,455                             |
| Accounts receivable       | 220,288                               | 12,516              | 105,899             | 126,905                                  |
| Taxes receivable, net     | 3,963,263                             | 3,886,889           | 3,895,048           | 3,955,104                                |
| Accrued interest          | 8,069                                 | 111,379             | 110,271             | 9,177                                    |
| <b>Total Assets</b>       | <b>\$ 9,071,591</b>                   | <b>\$ 8,676,184</b> | <b>\$ 8,110,134</b> | <b>\$ 9,637,641</b>                      |
| <b>LIABILITIES</b>        |                                       |                     |                     |  |
| Accounts payable          | \$ 228,184                            | \$ 237,602          | \$ 228,184          | \$ 237,602                               |
| Due to other entities     | 3,956,445                             | 3,887,389           | 3,894,145           | 3,949,689                                |
| Other liabilities         | 4,886,962                             | 4,559,259           | 3,995,871           | 5,450,350                                |
| <b>Total Liabilities</b>  | <b>\$ 9,071,591</b>                   | <b>\$ 8,684,250</b> | <b>\$ 8,118,200</b> | <b>\$ 9,637,641</b>                      |



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## STATISTICAL SECTION

The Statistical Section "relates to the physical, economic, social and political characteristics of the City." Its design is to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, notes to the financial statements, and required supplementary information to understand and assess the City's economic condition.

**Financial Trends Information** - is intended to assist users in understanding and assessing how the City's financial position has changed over time.

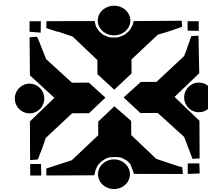
**Revenue Capacity Information** - is intended to assist users in understanding and assessing the factors affecting the City's ability to generate its own-source revenues, sales tax and property tax.

**Debt Capacity Information** - is intended to assist users in understanding and assessing the City's debt burden and its ability to issue additional debt.

**Demographic and Economic Information** - is intended (1) to assist users in understanding the socioeconomic environment within which the City operates and (2) to provide information that facilitates comparisons of financial statement information over time.

**Operating Information** - is intended to provide contextual information about the City's operations and resources to assist readers in using financial statement information to understand and assess the City's economic condition.

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



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City of Columbia, Missouri

NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)

|   | Fiscal Year           |                       |                       |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
|   | 2016                  | 2015                  | 2014                  | 2013                  |
| <b>Governmental Activities</b>              |                       |                       |                       |                       |
| Net investment in capital assets            | \$ 379,291,016        | \$ 359,339,161        | \$ 349,384,646        | \$ 327,336,088        |
| Restricted for:                             |                       |                       |                       |                       |
| Debt service                                | 1,360,739             | 8,680,140             | 9,528,532             | 12,833,301            |
| Capital projects                            | 33,388,328            | 39,096,016            | 39,307,829            | 40,032,818            |
| Nonexpendable                               | 1,500,000             | 1,500,000             | 1,500,000             | 1,500,000             |
| Expendable                                  | 7,438,759             | 7,306,884             | 7,103,402             | 7,008,119             |
| Other purposes                              | 31,952,096            | 27,745,796            | 24,767,118            | 21,302,056            |
| Unrestricted                                | (32,197,643)          | (30,096,448)          | 47,015,313            | 41,994,312            |
| Total governmental activities net position  | <u>\$ 422,733,295</u> | <u>\$ 413,571,549</u> | <u>\$ 478,606,840</u> | <u>\$ 452,006,694</u> |
| <b>Business-type activities</b>             |                       |                       |                       |                       |
| Net investment in capital assets            | \$ 365,793,592        | \$ 352,395,872        | \$ 325,322,206        | \$ 326,634,842        |
| Restricted for:                             |                       |                       |                       |                       |
| Debt service                                | 18,153,670            | 14,741,447            | 14,853,938            | 16,074,387            |
| Capital projects                            | 1,327,986             | 2,907,774             | 2,900,865             | 3,581,753             |
| Nonexpendable                               | -                     | -                     | -                     | -                     |
| Other purposes                              | 2,507,115             | 2,490,080             | 2,450,472             | 2,448,634             |
| Unrestricted                                | 115,251,104           | 108,107,836           | 105,185,789           | 97,168,643            |
| Total business-type activities net position | <u>\$ 503,033,467</u> | <u>\$ 480,643,009</u> | <u>\$ 450,713,270</u> | <u>\$ 445,908,259</u> |
| <b>Primary government</b>                   |                       |                       |                       |                       |
| Net investment in capital assets            | \$ 745,084,608        | \$ 711,735,033        | \$ 674,706,852        | \$ 653,970,930        |
| Restricted for:                             |                       |                       |                       |                       |
| Debt service                                | 19,514,409            | 23,421,587            | 24,382,470            | 28,907,688            |
| Capital projects                            | 34,716,314            | 42,003,790            | 42,208,694            | 43,614,571            |
| Nonexpendable                               | 1,500,000             | 1,500,000             | 1,500,000             | 1,500,000             |
| Expendable                                  | 7,438,759             | 7,306,884             | 7,103,402             | 7,008,119             |
| Other purposes                              | 34,459,211            | 30,235,876            | 27,217,590            | 23,750,690            |
| Unrestricted                                | 83,053,461            | 78,011,388            | 152,201,102           | 139,162,955           |
| Total primary government net position       | <u>\$ 925,766,762</u> | <u>\$ 894,214,558</u> | <u>\$ 929,320,110</u> | <u>\$ 897,914,953</u> |

Table 1, cont.

## City of Columbia, Missouri

**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
*(accrual basis of accounting)*

| Fiscal Year           |                       |                       |                       |                       |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 2012                  | 2011                  | 2010                  | 2009                  | 2008                  | 2007                  |
| \$ 314,263,826        | \$ 302,588,445        | \$ 282,847,173        | \$ 260,097,787        | \$ 244,275,475        | \$ 216,858,792        |
| 10,065,860            | 9,177,970             | 8,918,365             | 5,778,995             | 5,503,137             | 3,076,665             |
| 39,254,648            | 40,660,673            | 41,106,562            | 46,490,295            | 38,560,449            | 22,792,647            |
| 1,500,000             | 1,500,000             | 1,500,000             | 1,500,000             | 1,500,000             | -                     |
| 7,097,129             | 6,906,079             | 6,710,867             | 6,446,329             | 6,147,453             | -                     |
| 20,267,861            | 16,508,073            | 20,758,215            | 20,157,428            | 21,108,040            | 19,624,016            |
| 41,149,606            | 39,060,566            | 38,429,987            | 35,215,173            | 37,860,189            | 48,580,507            |
| <u>\$ 433,598,930</u> | <u>\$ 416,401,806</u> | <u>\$ 400,271,169</u> | <u>\$ 375,686,007</u> | <u>\$ 354,954,743</u> | <u>\$ 310,932,627</u> |
| \$ 311,717,270        | \$ 307,497,810        | \$ 310,054,260        | \$ 283,331,995        | \$ 276,597,165        | \$ 272,485,494        |
| 11,181,154            | 12,411,147            | 11,165,691            | 11,478,081            | 7,851,943             | 8,112,494             |
| 9,745,060             | 9,279,147             | 2,988,585             | 290,464               | 1,107,426             | 1,379,024             |
| -                     | -                     | -                     | -                     | -                     | -                     |
| 2,352,238             | 2,274,042             | 2,253,899             | 2,210,713             | 2,167,641             | 2,110,973             |
| 102,009,020           | 87,614,040            | 75,790,214            | 85,495,521            | 86,655,622            | 74,352,607            |
| <u>\$ 437,004,742</u> | <u>\$ 419,076,186</u> | <u>\$ 402,252,649</u> | <u>\$ 382,806,774</u> | <u>\$ 374,379,797</u> | <u>\$ 358,440,592</u> |
| \$ 625,981,096        | \$ 610,086,255        | \$ 592,901,433        | \$ 543,429,782        | \$ 520,872,640        | \$ 489,344,286        |
| 21,247,014            | 21,589,117            | 20,084,056            | 17,257,076            | 13,355,080            | 11,189,159            |
| 48,999,708            | 49,939,820            | 44,095,147            | 46,780,759            | 39,667,875            | 24,171,671            |
| 1,500,000             | 1,500,000             | 1,500,000             | 1,500,000             | 1,500,000             | -                     |
| 7,097,129             | 6,906,079             | 6,710,867             | 6,446,329             | 6,147,453             | -                     |
| 22,620,099            | 18,782,115            | 23,012,114            | 22,368,141            | 23,275,681            | 21,734,989            |
| 143,158,626           | 126,674,606           | 114,220,201           | 120,710,694           | 124,515,811           | 122,933,114           |
| <u>\$ 870,603,672</u> | <u>\$ 835,477,992</u> | <u>\$ 802,523,818</u> | <u>\$ 758,492,781</u> | <u>\$ 729,334,540</u> | <u>\$ 669,373,219</u> |

Table 2

## City of Columbia, Missouri

CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)

|   | Fiscal Year     |                 |                 |                 |                 |                 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|   | 2016            | 2015            | 2014            | 2013            | 2012            | 2011            |
| <b>Expenses</b>   |                 |                 |                 |                 |                 |                 |
| Governmental activities:                                  |                 |                 |                 |                 |                 |                 |
| Policy development and administration                     | \$ 30,623,152   | \$ 24,465,111   | \$ 22,486,499   | \$ 21,764,609   | \$ 21,918,164   | \$ 19,240,568   |
| Public safety   | 42,145,164      | 42,482,569      | 39,965,212      | 38,674,243      | 38,674,200      | 39,177,408      |
| Transportation  | 14,525,441      | 15,600,627      | 18,362,328      | 15,977,709      | 12,646,608      | 12,782,598      |
| Health and environment                                    | 10,931,589      | 10,769,579      | 9,248,764       | 9,376,511       | 8,663,673       | 10,376,671      |
| Personal development                                      | 8,971,813       | 8,968,495       | 8,086,860       | 7,717,775       | 7,410,779       | 6,724,219       |
| Interest on long-term debt                                | 978,720         | 1,710,708       | 1,995,213       | 2,288,306       | 2,303,076       | 2,375,909       |
| Total governmental activities expenses                    | 108,175,879     | 103,997,089     | 100,144,876     | 95,799,153      | 91,616,500      | 90,677,373      |
| Business-type activities:                                 |                 |                 |                 |                 |                 |                 |
| Electric utility  | 116,326,371     | 115,496,885     | 120,262,601     | 116,439,978     | 104,978,962     | 111,974,736     |
| Water Utility   | 19,797,334      | 18,045,445      | 18,396,775      | 18,107,142      | 18,085,072      | 15,850,805      |
| Sanitary Sewer Utility                                    | 18,488,108      | 17,651,612      | 17,166,301      | 14,209,805      | 14,490,560      | 12,738,819      |
| Regional Airport  | 3,776,315       | 3,469,327       | 3,153,606       | 2,548,916       | 2,500,780       | 2,471,114       |
| Public Transportation                                     | 8,202,880       | 7,830,577       | 7,161,194       | 6,739,903       | 6,588,233       | 5,974,604       |
| Solid Waste Utility                                       | 19,864,870      | 15,844,537      | 15,405,338      | 15,197,074      | 15,194,469      | 14,282,699      |
| Parking Facilities  | 3,220,290       | 3,244,277       | 3,248,368       | 2,764,438       | 2,630,624       | 2,358,564       |
| Recreation Services                                       | 7,255,936       | 6,859,026       | 7,103,597       | 7,126,020       | 6,987,907       | 6,884,213       |
| Railroad  | 1,027,458       | 983,603         | 1,043,610       | 1,020,846       | 1,118,697       | 1,085,623       |
| Transload   | 339,835         | 582,750         | 949,642         | 1,156,798       | -               | -               |
| Storm Water Utility                                       | 1,429,937       | 1,544,375       | 1,351,708       | 1,277,435       | 1,256,360       | 1,254,303       |
| Total business-type activities expenses                   | 199,729,335     | 191,552,414     | 195,242,740     | 186,588,355     | 173,831,664     | 174,875,480     |
| Total primary government expenses                         | \$ 307,905,214  | \$ 295,549,503  | \$ 295,387,616  | \$ 282,387,508  | \$ 265,448,164  | \$ 265,552,853  |
| <b>Program Revenues</b>                                   |                 |                 |                 |                 |                 |                 |
| Governmental Activities:                                  |                 |                 |                 |                 |                 |                 |
| Charges for services:                                     |                 |                 |                 |                 |                 |                 |
| Policy Development and Administration                     | \$ 13,138,620   | \$ 12,649,708   | \$ 11,808,239   | \$ 12,359,753   | \$ 11,966,490   | \$ 11,181,841   |
| Public Safety   | 2,041,378       | 1,945,204       | 2,787,804       | 2,306,281       | 2,512,573       | 2,446,392       |
| Transportation  | 56,135          | 477,064         | 412,006         | 75,890          | 233,412         | 191,711         |
| Health and Environment                                    | 4,748,558       | 4,013,382       | 4,474,509       | 4,111,601       | 3,188,325       | 2,623,846       |
| Personal Development                                      | -               | 353,182         | 7,074           | -               | -               | -               |
| Operating grants and contributions                        | 5,585,621       | 7,049,014       | 6,582,168       | 5,733,896       | 6,173,618       | 6,891,283       |
| Capital grants and contributions                          | 8,419,494       | 5,301,736       | 15,186,759      | 14,054,726      | 7,082,525       | 10,716,352      |
| Total governmental activities program revenues            | 33,989,806      | 31,789,290      | 41,258,559      | 38,642,147      | 31,156,943      | 34,051,425      |
| Business-type activities:                                 |                 |                 |                 |                 |                 |                 |
| Charges for services:                                     |                 |                 |                 |                 |                 |                 |
| Electric utility  | 129,693,077     | 125,161,680     | 125,045,630     | 121,764,673     | 119,260,514     | 127,546,900     |
| Water Utility   | 26,050,798      | 23,364,440      | 24,345,239      | 23,568,147      | 24,206,711      | 20,331,142      |
| Sanitary Sewer Utility                                    | 22,771,018      | 20,738,058      | 19,527,300      | 19,512,333      | 17,219,234      | 14,523,432      |
| Regional Airport  | 712,502         | 694,012         | 540,540         | 555,715         | 642,170         | 684,631         |
| Public Transportation                                     | 2,031,376       | 2,073,373       | 2,300,558       | 2,080,065       | 1,873,872       | 1,671,933       |
| Solid Waste Utility                                       | 20,031,354      | 18,161,089      | 17,303,865      | 16,959,850      | 16,834,253      | 16,635,234      |
| Parking Facilities  | 4,154,260       | 4,044,297       | 3,551,116       | 2,977,159       | 2,688,403       | 2,038,935       |
| Recreation Services                                       | 4,243,961       | 4,145,589       | 4,205,270       | 4,429,863       | 4,373,766       | 4,136,896       |
| Railroad  | 331,815         | 431,885         | 726,641         | 696,640         | 738,185         | 828,593         |
| Transload   | 256,693         | 328,724         | 984,884         | 965,853         | -               | -               |
| Storm Water Utility                                       | 1,626,994       | 1,290,235       | 1,396,700       | 1,355,150       | 1,316,160       | 1,233,891       |
| Operating grants and contributions                        | 2,557,913       | 2,479,657       | 2,602,538       | 2,436,134       | 2,163,513       | 1,844,800       |
| Capital grants and contributions                          | 9,029,170       | 8,119,011       | 3,479,133       | 10,200,801      | 4,232,060       | 3,176,929       |
| Total business-type activities program revenues           | 223,490,931     | 211,032,050     | 206,009,414     | 207,502,383     | 195,548,842     | 194,653,317     |
| Total primary government program revenues                 | \$ 257,480,737  | \$ 242,821,340  | \$ 247,267,973  | \$ 246,144,530  | \$ 226,705,785  | \$ 228,704,742  |
| <b>Net (Expense)/Revenue</b>                              |                 |                 |                 |                 |                 |                 |
| Governmental activities                                   | \$ (74,186,073) | \$ (72,207,799) | \$ (58,886,317) | \$ (57,157,006) | \$ (60,459,557) | \$ (56,625,948) |
| Business-type activities                                  | 23,761,596      | 19,479,636      | 10,766,674      | 20,914,028      | 21,717,178      | 19,777,837      |
| Total primary government net expense                      | \$ (50,424,477) | \$ (52,728,163) | \$ (48,119,643) | \$ (36,242,978) | \$ (38,742,379) | \$ (36,848,111) |
| <b>General Revenues and Other Changes in Net Position</b> |                 |                 |                 |                 |                 |                 |
| Governmental activities:                                  |                 |                 |                 |                 |                 |                 |
| Taxes   |                 |                 |                 |                 |                 |                 |
| Property taxes  | \$ 7,898,843    | \$ 7,572,050    | \$ 7,319,211    | \$ 7,228,203    | \$ 7,099,442    | \$ 7,026,844    |
| Sales tax   | 47,165,825      | 47,174,773      | 45,730,160      | 44,150,547      | 42,514,771      | 40,538,522      |
| Other taxes   | 14,864,794      | 15,559,138      | 15,861,990      | 15,059,833      | 14,597,936      | 14,274,548      |
| Investment revenue (loss)                                 | 2,744,200       | 3,462,509       | 1,974,801       | (1,380,683)     | 1,692,935       | 2,717,257       |
| Miscellaneous   | 2,270,770       | 1,737,308       | 2,263,437       | 1,821,115       | 1,904,434       | 2,873,628       |
| Transfers   | 8,403,387       | 7,743,778       | 12,355,827      | 8,916,183       | 9,847,163       | 9,275,101       |
| Total governmental activities                             | 83,347,819      | 83,249,556      | 85,505,426      | 75,795,198      | 77,656,681      | 76,705,900      |
| Business-type activities                                  |                 |                 |                 |                 |                 |                 |
| Investment revenue (loss)                                 | 4,433,709       | 5,209,590       | 3,474,081       | (778,591)       | 3,231,938       | 4,344,222       |
| Miscellaneous   | 2,598,540       | 2,157,488       | 2,920,083       | 2,385,748       | 2,826,603       | 1,976,579       |
| Transfers   | (8,403,387)     | (7,743,778)     | (12,355,827)    | (8,916,183)     | (9,847,163)     | (9,275,101)     |
| Total business-type activities                            | (1,371,138)     | (376,700)       | (5,961,663)     | (7,309,026)     | (3,788,622)     | (2,954,300)     |
| Total primary government                                  | \$ 81,976,681   | \$ 82,872,856   | \$ 79,543,763   | \$ 68,486,172   | \$ 73,868,059   | \$ 73,751,600   |
| <b>Change in Net Position</b>                             |                 |                 |                 |                 |                 |                 |
| Governmental activities                                   | \$ 9,161,746    | \$ 11,041,757   | \$ 26,619,109   | \$ 18,638,192   | \$ 17,197,124   | \$ 20,079,952   |
| Business-type activities                                  | 22,390,458      | 19,102,936      | 4,805,011       | 13,605,002      | 17,928,556      | 16,823,537      |
| Total primary government                                  | \$ 31,552,204   | \$ 30,144,693   | \$ 31,424,120   | \$ 32,243,194   | \$ 35,125,680   | \$ 36,903,489   |

Table 2, cont.

## City of Columbia, Missouri

CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)

| Fiscal Year            |                        |                        |                       |
|------------------------|------------------------|------------------------|-----------------------|
| 2010                   | 2009                   | 2008                   | 2007                  |
| \$ 18,810,092          | \$ 14,427,609          | \$ 15,762,421          | \$ 16,162,970         |
| 38,075,595             | 38,011,371             | 36,142,924             | 34,547,514            |
| 12,129,815             | 11,198,089             | 10,104,040             | 9,989,096             |
| 9,209,905              | 8,903,255              | 8,403,019              | 8,343,812             |
| 11,004,972             | 10,344,600             | 10,350,937             | 9,832,710             |
| 1,985,817              | 2,149,871              | 1,595,972              | 1,189,668             |
| <u>91,216,196</u>      | <u>85,034,795</u>      | <u>82,359,313</u>      | <u>80,065,770</u>     |
| 107,836,042            | 99,694,306             | 91,847,957             | 84,599,965            |
| 14,559,336             | 16,021,650             | 14,517,123             | 13,783,103            |
| 12,507,201             | 12,030,951             | 10,970,073             | 10,475,106            |
| 2,488,947              | 2,232,666              | 2,107,172              | 2,064,326             |
| 5,547,130              | 5,382,338              | 5,069,495              | 4,501,492             |
| 14,131,288             | 13,747,082             | 14,044,574             | 12,505,734            |
| 1,748,966              | 1,295,897              | 1,432,705              | 1,362,421             |
| 6,863,924              | 6,823,710              | 6,804,775              | 6,433,091             |
| 878,449                | 941,661                | 980,760                | 954,111               |
| -                      | -                      | -                      | -                     |
| 1,284,941              | 1,654,512              | 1,548,103              | 1,445,133             |
| <u>167,846,224</u>     | <u>159,824,773</u>     | <u>149,322,737</u>     | <u>138,124,482</u>    |
| <u>\$ 259,062,420</u>  | <u>\$ 244,859,568</u>  | <u>\$ 231,682,050</u>  | <u>\$ 218,190,252</u> |
| \$ 12,020,506          | \$ 7,931,919           | \$ 6,900,361           | \$ 6,601,539          |
| 2,324,632              | 1,781,033              | 1,657,240              | 1,698,523             |
| 186,584                | 243,700                | 252,885                | 428,045               |
| 1,087,198              | 1,026,327              | 1,106,543              | 1,270,739             |
| -                      | -                      | -                      | -                     |
| 8,754,370              | 7,410,843              | 7,777,301              | 6,019,212             |
| <u>13,187,432</u>      | <u>15,608,834</u>      | <u>28,476,557</u>      | <u>37,822,556</u>     |
| <u>37,560,722</u>      | <u>34,002,656</u>      | <u>46,170,887</u>      | <u>53,840,614</u>     |
| 120,448,779            | 110,753,285            | 106,481,160            | 100,857,750           |
| 17,354,581             | 15,876,107             | 15,314,326             | 16,071,201            |
| 12,275,136             | 10,654,076             | 9,312,516              | 9,071,132             |
| 599,804                | 481,984                | 434,980                | 462,054               |
| 1,517,701              | 1,447,616              | 1,240,255              | 1,172,095             |
| 15,045,374             | 14,074,055             | 14,120,946             | 12,966,592            |
| 1,796,627              | 1,737,094              | 1,593,938              | 1,562,110             |
| 4,079,714              | 4,120,606              | 3,848,181              | 3,952,786             |
| 824,472                | 662,749                | 1,190,026              | 1,042,370             |
| -                      | -                      | -                      | -                     |
| 1,138,804              | 1,229,374              | 1,391,760              | 1,380,233             |
| 1,723,698              | 2,026,465              | 1,588,506              | 1,532,740             |
| 9,376,080              | 2,476,997              | 4,366,361              | 9,643,692             |
| <u>186,180,770</u>     | <u>165,540,408</u>     | <u>160,882,955</u>     | <u>159,714,755</u>    |
| <u>\$ 223,741,492</u>  | <u>\$ 199,543,064</u>  | <u>\$ 207,053,842</u>  | <u>\$ 213,555,369</u> |
| \$ (53,655,474)        | \$ (51,032,139)        | \$ (36,188,426)        | \$ (26,225,156)       |
| 18,334,546             | 5,715,635              | 11,560,218             | 21,590,273            |
| <u>\$ (35,320,928)</u> | <u>\$ (45,316,504)</u> | <u>\$ (24,628,208)</u> | <u>\$ (4,634,883)</u> |
| \$ 10,849,831          | \$ 10,703,734          | \$ 10,724,486          | \$ 10,301,967         |
| 38,296,731             | 37,615,054             | 38,669,141             | 38,745,372            |
| 14,148,024             | 13,557,057             | 13,687,438             | 11,157,118            |
| 4,598,349              | 6,163,536              | 6,031,249              | 6,518,778             |
| 2,998,383              | 2,753,039              | 5,348,082              | 1,994,256             |
| 7,349,318              | 6,110,870              | 5,750,147              | 4,981,765             |
| <u>78,240,636</u>      | <u>76,903,290</u>      | <u>80,210,543</u>      | <u>73,699,256</u>     |
| 6,680,164              | 6,760,213              | 6,064,180              | 6,689,670             |
| 1,780,483              | 2,061,999              | 4,064,955              | 3,974,057             |
| (7,349,318)            | (6,110,870)            | (5,750,147)            | (4,981,765)           |
| 1,111,329              | 2,711,342              | 4,378,988              | 5,681,962             |
| <u>\$ 79,351,965</u>   | <u>\$ 79,614,632</u>   | <u>\$ 84,589,531</u>   | <u>\$ 79,381,218</u>  |
| \$ 24,585,162          | \$ 25,871,151          | \$ 44,022,117          | \$ 47,474,100         |
| 19,445,875             | 8,426,977              | 15,939,206             | 27,272,235            |
| <u>\$ 44,031,037</u>   | <u>\$ 34,298,128</u>   | <u>\$ 59,961,323</u>   | <u>\$ 74,746,335</u>  |

Table 3

## City of Columbia, Missouri

FUND BALANCE, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS*(modified accrual basis of accounting)*

Post-GASB 54

Fiscal Year

|                                    | <u>2016</u>          | <u>2015</u>          | <u>2014</u>          | <u>2013</u>          |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|
| General Fund                       |                      |                      |                      |                      |
| Nonspendable                       | \$ 376,794           | \$ 487,935           | \$ 291,512           | \$ 477,210           |
| Restricted                         | -                    | -                    | -                    | -                    |
| Committed                          | 2,995,787            | 3,198,964            | 1,582,948            | 431,529              |
| Assigned                           | 2,293,515            | 2,658,081            | 3,081,251            | 2,418,592            |
| Unassigned                         | 29,245,964           | 24,159,186           | 28,889,505           | 26,350,897           |
| Total general fund                 | <u>\$ 34,912,060</u> | <u>\$ 30,504,166</u> | <u>\$ 33,845,216</u> | <u>\$ 29,678,228</u> |
| All Other Governmental Funds       |                      |                      |                      |                      |
| Nonspendable                       | \$ 1,503,018         | \$ 1,503,473         | \$ 1,504,875         | \$ 1,519,505         |
| Restricted                         | 66,321,351           | 34,214,232           | 32,282,999           | 32,202,132           |
| Committed                          | 12,530,669           | 11,877,429           | 11,711,098           | 11,657,749           |
| Assigned                           | 213,104              | 38,468,675           | 38,162,062           | 38,844,822           |
| Unassigned                         | (4,912)              | (128,473)            | (6,166)              | (79,311)             |
| Total all other governmental funds | <u>\$ 80,563,230</u> | <u>\$ 85,935,336</u> | <u>\$ 83,654,868</u> | <u>\$ 84,144,897</u> |

Note: Seven years of data available for GASB 54 compliance which was adopted in 2011.

Pre-GASB 54

Fiscal Year

|                                    | <u>2009</u>          | <u>2008</u>           | <u>2007</u>          |
|------------------------------------|----------------------|-----------------------|----------------------|
| General Fund                       |                      |                       |                      |
| Reserved                           | \$ 4,110,859         | \$ 4,409,134          | \$ 3,765,930         |
| Unreserved                         | 21,548,968           | 20,339,863            | 14,926,963           |
| Total general fund                 | <u>\$ 25,659,827</u> | <u>\$ 24,748,997</u>  | <u>\$ 18,692,893</u> |
| All Other Governmental Funds       |                      |                       |                      |
| Reserved                           | \$ 42,977,342        | \$ 40,512,180         | \$ 18,930,218        |
| Unreserved, reported in:           |                      |                       |                      |
| * Transportation sales tax fund    | -                    | -                     | 1,369,559            |
| Capital projects fund              | 32,708,733           | 50,413,973            | 47,825,768           |
| Special revenue funds              | 15,113,454           | 15,082,742            | 12,812,404           |
| Debt service funds                 | 1,022,995            | 5,503,137             | 3,076,665            |
| Permanent fund                     | 5,080,931            | 4,540,140             | 3,908,163            |
| Total all other governmental funds | <u>\$ 96,903,455</u> | <u>\$ 116,052,172</u> | <u>\$ 87,922,777</u> |



**Table 3, cont.**  
**City of Columbia, Missouri**

**FUND BALANCE, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

*(modified accrual basis of accounting)*

Post-GASB 54

**Fiscal Year**

| <u>2012</u>          | <u>2011</u>          | <u>2010</u>          |
|----------------------|----------------------|----------------------|
| \$ 412,902           | \$ 421,250           | \$ 550,483           |
| -                    | -                    | 400,827              |
| 911,186              | 737,491              | 503,067              |
| 2,541,869            | 3,099,217            | 6,391,299            |
| <u>25,955,804</u>    | <u>23,660,321</u>    | <u>18,759,242</u>    |
| <u>\$ 29,821,761</u> | <u>\$ 27,918,279</u> | <u>\$ 26,604,918</u> |
|                      |                      |                      |
| \$ 1,503,709         | \$ 1,502,053         | \$ 1,503,064         |
| 28,320,670           | 25,486,928           | 32,812,393           |
| 10,951,115           | 10,755,442           | 11,531,443           |
| 38,530,941           | 39,227,961           | 36,047,628           |
| -                    | -                    | -                    |
| <u>\$ 79,306,435</u> | <u>\$ 76,972,384</u> | <u>\$ 81,894,528</u> |

Table 4

## City of Columbia, Missouri

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS*(modified accrual basis of accounting)*

|  | Fiscal Year         |                       |                     |                     |
|--|---------------------|-----------------------|---------------------|---------------------|
|  | 2016                | 2015                  | 2014                | 2013                |
| <b>REVENUES</b>  |                     |                       |                     |                     |
| General property taxes                                     | \$ 7,898,843        | \$ 7,572,050          | \$ 7,319,211        | \$ 7,228,203        |
| Sales tax  | 47,667,737          | 46,672,861            | 45,730,160          | 44,150,547          |
| Other local taxes  | 14,197,554          | 14,860,992            | 15,170,622          | 14,415,576          |
| Licenses and permits                                       | 1,031,218           | 1,012,346             | 965,309             | 921,132             |
| Fines  | 1,805,859           | 2,081,131             | 1,883,631           | 1,970,138           |
| Fees and service charges                                   | 4,926,206           | 3,687,353             | 4,776,008           | 4,584,151           |
| Special assessment taxes                                   | -                   | -                     | -                   | -                   |
| Intragovernmental revenue                                  | 4,407,469           | 4,247,354             | 3,944,617           | 3,931,555           |
| Revenue from other governmental units                      | 14,388,115          | 12,155,793            | 11,380,966          | 12,683,976          |
| Lease revenue  | 1,755,731           | 1,893,255             | 1,786,851           | 1,828,913           |
| Investment revenue (loss)                                  | 2,342,939           | 3,040,800             | 1,744,574           | (1,175,168)         |
| Miscellaneous  | 2,270,770           | 1,737,308             | 2,263,437           | 1,821,115           |
| Total Revenues   | <u>102,692,441</u>  | <u>98,961,243</u>     | <u>96,965,386</u>   | <u>92,360,138</u>   |
| <b>EXPENDITURES</b>  |                     |                       |                     |                     |
| Current:   |                     |                       |                     |                     |
| Policy development and administration                      | 12,673,307          | 11,933,061            | 10,243,414          | 9,910,193           |
| Public safety  | 40,664,606          | 40,931,976            | 38,329,749          | 37,839,647          |
| Transportation   | 7,722,901           | 9,091,369             | 12,123,055          | 10,421,314          |
| Health and environment                                     | 10,904,104          | 10,648,858            | 9,277,074           | 9,373,336           |
| Personal development                                       | 7,848,024           | 7,878,973             | 7,160,184           | 6,922,477           |
| Misc. nonprogrammed activities                             | 272,656             | 5,642,247             | 4,785,017           | 5,006,410           |
| Capital outlay   | 22,734,914          | 13,935,589            | 16,237,557          | 15,067,900          |
| Debt service:  |                     |                       |                     |                     |
| Principal  | 8,508,973           | 6,032,862             | 5,838,116           | 5,595,733           |
| Interest   | 1,209,593           | 1,866,517             | 2,147,444           | 2,397,462           |
| Bond issuance and other costs                              | 237,281             | -                     | -                   | -                   |
| Total Expenditures   | <u>112,776,359</u>  | <u>107,961,452</u>    | <u>106,141,610</u>  | <u>102,534,472</u>  |
| Excess (Deficiency) of Revenues<br>over Expenditures       | (10,083,918)        | (9,000,209)           | (9,176,224)         | (10,174,334)        |
| <b>OTHER FINANCING SOURCES (USES)</b>                      |                     |                       |                     |                     |
| Transfers in   | 47,046,810          | 37,405,837            | 39,741,645          | 37,409,252          |
| Transfers out  | (38,167,357)        | (29,466,210)          | (26,869,499)        | (28,239,989)        |
| Issuance of 2007A S.O. Notes                               | -                   | -                     | -                   | -                   |
| Issuance of 2008B S.O. Bonds                               | -                   | -                     | -                   | -                   |
| Premium on 2008B S.O. Bonds                                | -                   | -                     | -                   | -                   |
| Issuance of Lemone Trust Note                              | -                   | -                     | -                   | -                   |
| MTFC Note Proceeds   | -                   | -                     | -                   | 5,700,000           |
| Capital lease proceeds                                     | -                   | -                     | -                   | -                   |
| Proceeds of 2016B S.O. Bonds                               | 17,580,000          | -                     | -                   | -                   |
| Premium on 2016B S.O. Bonds                                | 1,699,838           | -                     | -                   | -                   |
| Payment to refunded bond escrow agent                      | (19,039,585)        | -                     | -                   | -                   |
| Total Other Financing Sources (Uses)                       | <u>9,119,706</u>    | <u>7,939,627</u>      | <u>12,872,146</u>   | <u>14,869,263</u>   |
| Net Change in Fund Balances                                | <u>\$ (964,212)</u> | <u>\$ (1,060,582)</u> | <u>\$ 3,695,922</u> | <u>\$ 4,694,929</u> |
| Debt service as a percentage of<br>noncapital expenditures | 10.79%              | 8.40%                 | 8.88%               | 9.14%               |

Table 4, cont.

City of Columbia, Missouri

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

|    |                    | Fiscal Year        |                     |                     |                   |                    |      |
|----|--------------------|--------------------|---------------------|---------------------|-------------------|--------------------|------|
|    |                    | 2012               | 2011                | 2010                | 2009              | 2008               | 2007 |
| \$ | 7,099,442          | \$ 7,026,844       | \$ 10,849,831       | \$ 10,703,734       | \$ 10,511,523     | \$ 9,967,339       |      |
|    | 42,514,771         | 40,538,522         | 38,296,731          | 37,615,054          | 38,669,141        | 38,745,372         |      |
|    | 13,938,135         | 13,614,566         | 13,504,093          | 13,199,548          | 13,387,438        | 10,857,118         |      |
|    | 883,815            | 864,719            | 835,864             | 842,850             | 835,668           | 833,247            |      |
|    | 2,184,075          | 2,049,392          | 1,900,869           | 1,457,963           | 1,367,376         | 1,387,447          |      |
|    | 3,323,319          | 2,916,163          | 2,214,818           | 1,917,453           | 2,137,096         | 2,379,845          |      |
|    | -                  | -                  | -                   | -                   | -                 | 81,412             |      |
|    | 4,130,138          | 4,139,602          | 4,200,389           | 4,025,046           | 3,634,049         | 3,353,142          |      |
|    | 11,205,817         | 15,717,748         | 17,624,734          | 17,295,161          | 13,628,052        | 10,894,018         |      |
|    | 1,740,808          | 1,267,667          | -                   | -                   | -                 | -                  |      |
|    | 1,552,235          | 2,447,870          | 4,258,602           | 5,789,199           | 5,512,478         | 5,870,563          |      |
|    | 1,904,434          | 2,873,628          | 2,998,383           | 2,753,039           | 5,348,082         | 1,994,256          |      |
|    | <u>90,476,989</u>  | <u>93,456,721</u>  | <u>96,684,314</u>   | <u>95,599,047</u>   | <u>95,030,903</u> | <u>86,363,759</u>  |      |
|    | 9,679,187          | 11,268,430         | 12,143,800          | 12,013,837          | 11,717,872        | 10,390,474         |      |
|    | 37,426,056         | 37,847,252         | 36,661,665          | 35,970,659          | 34,271,625        | 32,751,068         |      |
|    | 7,280,684          | 7,821,261          | 7,775,001           | 7,092,854           | 6,339,224         | 6,880,329          |      |
|    | 8,748,990          | 10,411,813         | 9,170,450           | 8,824,133           | 8,338,490         | 8,271,922          |      |
|    | 6,612,768          | 5,998,949          | 10,206,251          | 9,719,922           | 9,683,200         | 9,253,029          |      |
|    | 4,775,185          | 815,943            | 921,771             | 1,238,802           | 1,145,650         | 1,200,495          |      |
|    | 18,195,526         | 32,825,543         | 36,014,773          | 42,008,951          | 17,256,742        | 24,574,512         |      |
|    | 5,113,954          | 5,089,434          | 3,580,000           | 3,205,000           | 3,070,000         | 2,110,000          |      |
|    | 2,391,766          | 2,427,400          | 2,081,731           | 2,242,906           | 1,593,623         | 1,266,232          |      |
|    | 661                | 661                | 661                 | 661                 | 238,954           | 37,180             |      |
|    | <u>100,224,777</u> | <u>114,506,686</u> | <u>118,556,103</u>  | <u>122,317,725</u>  | <u>93,655,380</u> | <u>96,735,241</u>  |      |
|    | (9,747,788)        | (21,049,965)       | (21,871,789)        | (26,718,678)        | 1,375,523         | (10,371,482)       |      |
|    | 37,677,752         | 50,570,961         | 37,063,260          | 33,106,245          | 56,874,109        | 34,906,932         |      |
|    | (26,427,431)       | (40,960,187)       | (29,255,307)        | (26,939,792)        | (51,061,200)      | (29,948,435)       |      |
|    | -                  | -                  | -                   | -                   | -                 | 3,740,000          |      |
|    | -                  | -                  | -                   | -                   | 26,795,000        | -                  |      |
|    | -                  | -                  | -                   | -                   | 202,067           | -                  |      |
|    | -                  | 11,779,723         | -                   | -                   | -                 | -                  |      |
|    | 2,500,000          | -                  | -                   | -                   | -                 | -                  |      |
|    | 235,000            | -                  | -                   | -                   | -                 | -                  |      |
|    | -                  | -                  | -                   | -                   | -                 | -                  |      |
|    | -                  | -                  | -                   | -                   | -                 | -                  |      |
|    | -                  | -                  | -                   | -                   | -                 | -                  |      |
|    | <u>13,985,321</u>  | <u>21,390,497</u>  | <u>7,807,953</u>    | <u>6,166,453</u>    | <u>32,809,976</u> | <u>8,698,497</u>   |      |
| \$ | <u>4,237,533</u>   | <u>340,532</u>     | <u>(14,063,836)</u> | <u>(20,552,225)</u> | <u>34,185,499</u> | <u>(1,672,985)</u> |      |
|    | 9.15%              | 9.20%              | 6.86%               | 6.78%               | 6.42%             | 4.73%              |      |

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Table 5

## City of Columbia, Missouri

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS**

| <b>Fiscal Year Ended</b> | <b>Real Property</b> | <b>Personal Property</b> | <b>State Assessed Value</b> | <b>Total Assessed Value</b> | <b>Estimated Actual Taxable Value</b> | <b>Assessed Value as a Percentage of Actual Value</b> | <b>Total Direct Tax Rate</b> |
|--------------------------|----------------------|--------------------------|-----------------------------|-----------------------------|---------------------------------------|---|------------------------------|
| 2007                     | 1,207,930,492        | 260,021,334              | 6,122,350                   | 1,474,074,176               | 6,141,975,733                         | 24.0%   | 0.94                         |
| 2008                     | 1,292,414,862        | 273,363,667              | 5,843,391                   | 1,571,621,920               | 6,548,424,667                         | 24.0%   | 0.94                         |
| 2009                     | 1,347,522,235        | 275,394,049              | 5,522,897                   | 1,628,439,181               | 6,785,163,254                         | 24.0%   | 0.93                         |
| 2010                     | 1,379,654,147        | 254,289,515              | 5,451,561                   | 1,639,395,223               | 6,830,813,429                         | 24.0%   | 0.93                         |
| 2011                     | 1,400,192,298        | 250,581,100              | 5,140,761                   | 1,655,914,159               | 6,899,642,329                         | 24.0%   | 0.93                         |
| 2012                     | 1,413,996,612        | 264,972,925              | 4,354,717                   | 1,683,324,254               | 7,013,851,058                         | 24.0%   | 0.93                         |
| 2013                     | 1,423,905,462        | 293,420,631              | 4,138,118                   | 1,721,464,211               | 7,172,767,546                         | 24.0%   | 0.94                         |
| 2014                     | 1,449,632,179        | 298,129,549              | 4,108,905                   | 1,751,870,633               | 7,299,460,971                         | 24.0%   | 0.95                         |
| 2015                     | 1,506,138,234        | 303,450,790              | 4,095,085                   | 1,813,684,109               | 7,557,017,121                         | 24.0%   | 0.95                         |
| 2016                     | 1,553,310,919        | 317,367,258              | 4,193,727                   | 1,874,871,904               | 7,811,966,267                         | 24.0%   | 0.93                         |

Source: Certified Copy of Order, Boone County Court.

## City of Columbia, Missouri

**PROPERTY TAX RATES AND TAX LEVIES – DIRECT AND OVERLAPPING GOVERNMENTS (a)  
LAST TEN FISCAL YEARS**

|   | <u>2007</u>   | <u>2008</u>   | <u>2009</u>   | <u>2010</u>   | <u>2011</u>   |
|---|---------------|---------------|---------------|---------------|---------------|
| CITY TAX RATES:                                 |               |               |               |               |               |
| General Fund                                    | \$0.41        | \$0.41        | \$0.41        | \$0.41        | \$0.41        |
| Library Funds                                   | <u>0.53</u>   | <u>0.53</u>   | <u>0.52</u>   | <u>0.52</u>   | <u>0.52</u>   |
| Total City Tax Rate                             | <u>0.94</u>   | <u>0.94</u>   | <u>0.93</u>   | <u>0.93</u>   | <u>0.93</u>   |
| SCHOOL DISTRICT                                 | <u>4.67</u>   | <u>4.71</u>   | <u>4.73</u>   | <u>4.77</u>   | <u>4.85</u>   |
| COUNTY TAX RATES:                               |               |               |               |               |               |
| County  | 0.12          | 0.12          | 0.12          | 0.12          | 0.12          |
| Group Homes (b)                                 | 0.11          | 0.11          | 0.11          | 0.11          | 0.11          |
| Highway   | <u>0.05</u>   | <u>0.05</u>   | <u>0.05</u>   | <u>0.05</u>   | <u>0.05</u>   |
| Total County Tax Rates (c)                      | <u>0.28</u>   | <u>0.28</u>   | <u>0.28</u>   | <u>0.28</u>   | <u>0.28</u>   |
| STATE   | <u>0.03</u>   | <u>0.03</u>   | <u>0.03</u>   | <u>0.03</u>   | <u>0.03</u>   |
| TOTAL TAX RATIO FOR ALL OVERLAPPING GOVERNMENTS | <u>\$5.92</u> | <u>\$5.96</u> | <u>\$5.97</u> | <u>\$6.01</u> | <u>\$6.09</u> |

- (a) All tax rates are presented per \$100 of Assessed Valuation.
- (b) These facilities are operated for handicapped persons, as defined in Section 198.900 RSMo, who are employed at the facility or in the community and/or for persons who are handicapped due to a developmental disability.
- (c) The levy for the County Library District is not included on this table since this levy does not apply within City limits.

Source: Certified Copy of Order, Boone County Court.

City of Columbia, Missouri

PROPERTY TAX RATES AND TAX LEVIES – DIRECT AND OVERLAPPING GOVERNMENTS (a)  
 LAST TEN FISCAL YEARS

| <u>2012</u>   | <u>2013</u>   | <u>2014</u>   | <u>2015</u>   | <u>2016</u>   |
|---------------|---------------|---------------|---------------|---------------|
| \$0.41        | \$0.41        | \$0.41        | \$0.41        | \$0.41        |
| <u>0.52</u>   | <u>0.53</u>   | <u>0.54</u>   | <u>0.54</u>   | <u>0.52</u>   |
| <u>0.93</u>   | <u>0.94</u>   | <u>0.95</u>   | <u>0.95</u>   | <u>0.93</u>   |
| <u>4.88</u>   | <u>5.40</u>   | <u>5.42</u>   | <u>5.49</u>   | <u>5.47</u>   |
| 0.12          | 0.12          | 0.12          | 0.12          | 0.12          |
| 0.11          | 0.11          | 0.11          | 0.11          | 0.11          |
| <u>0.05</u>   | <u>0.05</u>   | <u>0.05</u>   | <u>0.05</u>   | <u>0.05</u>   |
| <u>0.28</u>   | <u>0.28</u>   | <u>0.28</u>   | <u>0.28</u>   | <u>0.28</u>   |
| <u>0.03</u>   | <u>0.03</u>   | <u>0.03</u>   | <u>0.03</u>   | <u>0.03</u>   |
| <u>\$6.12</u> | <u>\$6.65</u> | <u>\$6.68</u> | <u>\$6.75</u> | <u>\$6.71</u> |

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Table 7

## City of Columbia, Missouri

PRINCIPAL TAXPAYERS  
CURRENT AND NINE YEARS AGO

| Taxpayer                                 | Type of Business   | 2016                  |      |  | 2007                 |      |  |
|--|--------------------|-----------------------|------|--|----------------------|------|--|
|  |                    | Assessed Valuation    | Rank | Percentage of Total Assessed Valuation | Assessed Valuation   | Rank | Percentage of Total Assessed Valuation |
| Union Electric                           | Utility            | \$ 28,177,504         | 1    | 1.50%                                  | --                   |      | --                                     |
| Shelter Insurance/Shelter Enterprises    | Insurance          | 16,177,067            | 2    | 0.86%                                  | 5,461,706            | 7    | 0.37%                                  |
| 3M Company                               | Manufacturer       | 12,604,776            | 3    | 0.67%                                  | --                   |      | --                                     |
| TKG Biscayne LLC                         | Property/Developer | 9,778,083             | 4    | 0.52%                                  | --                   |      | --                                     |
| Hubbell Power Systems                    | Manufacturer       | 9,045,000             | 5    | 0.48%                                  | --                   |      | --                                     |
| Grindstone Properties                    | Property/Developer | 8,078,039             | 6    | 0.43%                                  | --                   |      | --                                     |
| Breckenridge Group                       | Property/Developer | 7,939,457             | 7    | 0.42%                                  | --                   |      | --                                     |
| JDM II SF National (formerly State Farm) | Insurance          | 7,807,371             | 8    | 0.42%                                  | 7,913,247            | 4    | 0.54%                                  |
| The Links Columbia                       | Property/Developer | 6,839,287             | 9    | 0.36%                                  | --                   |      | --                                     |
| Boone Hospital                           | Medical            | 6,713,024             | 10   | 0.36%                                  | --                   |      | --                                     |
| The Kroenke Group                        | Property/Developer | --                    |      | --                                     | 10,215,695           | 1    | 0.69%                                  |
| Columbia Mall Limited Partnership        | Property/Developer | --                    |      | --                                     | 8,520,254            | 3    | 0.58%                                  |
| Boone Electric Cooperative               | Utility            | --                    |      | --                                     | 9,911,936            | 2    | 0.67%                                  |
| Boone Crossing                           | Property/Developer | --                    |      | --                                     | 7,864,177            | 5    | 0.53%                                  |
| Grindstone Plaza Development             | Property/Developer | --                    |      | --                                     | 5,740,711            | 6    | 0.39%                                  |
| AB Chance Co                             | Manufacturer       | --                    |      | --                                     | 4,431,741            | 8    | 0.30%                                  |
| Rayman Columbia Center Trust             | Property/Developer | --                    |      | --                                     | 4,343,968            | 9    | 0.29%                                  |
| Broadway Fairview Venture                | Property/Developer | --                    |      | --                                     | 4,126,262            | 10   | 0.28%                                  |
|  |                    | <u>\$ 113,159,608</u> |      | <u>6.02%</u>                           | <u>\$ 68,529,697</u> |      | <u>4.64%</u>                           |

Note: The assessed value is approximately 32% of the estimated actual value of the property.  
Information provided by the Boone County Government Center Treasurer's Office

Table 8

## City of Columbia, Missouri

## GENERAL FUND

PROPERTY TAX LEVIES AND TAX COLLECTIONS  
LAST TEN FISCAL YEARS

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| <u>Fiscal Year Ended</u> | <u>Net Current Tax Levv (a)</u> | <u>Current Tax Collections</u> | <u>Percent Of Levy Collected</u> | <u>Delinquent Tax Collections</u> |
|--------------------------|---------------------------------|--------------------------------|----------------------------------|-----------------------------------|
| 2007                     | \$ 6,064,823 (b)                | \$ 5,857,996                   | 96.59%                           | \$ 79,467                         |
| 2008                     | \$ 6,543,022 (b)                | \$ 6,357,847                   | 97.17%                           | \$ 107,581                        |
| 2009                     | \$ 6,749,498 (b)                | \$ 6,506,350                   | 96.40%                           | \$ 83,791                         |
| 2010                     | \$ 6,783,852 (b)                | \$ 6,615,594                   | 97.52%                           | \$ 114,785                        |
| 2011                     | \$ 6,615,690 (b)                | \$ 6,425,234                   | 97.12%                           | \$ 80,029                         |
| 2012                     | \$ 6,780,699 (b)                | \$ 6,635,787                   | 97.86%                           | \$ 88,841                         |
| 2013                     | \$ 6,862,793 (b)                | \$ 6,783,993                   | 98.85%                           | \$ 66,532                         |
| 2014                     | \$ 7,086,610 (b)                | \$ 6,973,354                   | 98.40%                           | \$ 82,535                         |
| 2015                     | \$ 7,293,515 (b)                | \$ 7,221,899                   | 99.02%                           | \$ 73,600                         |
| 2016                     | \$ 7,674,533 (b)                | \$ 7,571,408                   | 98.66%                           | \$ 68,331                         |

(a) Balances are net of amounts deducted for collection fees withheld by County.

(b) Includes unearned property tax revenue.

Table 8, cont.

City of Columbia, Missouri

GENERAL FUND

PROPERTY TAX LEVIES AND TAX COLLECTIONS  
LAST TEN FISCAL YEARS

| <u>Total<br/>Tax<br/>Collections</u> | <u>Total<br/>Collections<br/>As A Percent Of<br/>Net Current<br/>Tax Levy</u> | <u>Outstanding<br/>Delinquent<br/>Taxes</u> | <u>Outstanding<br/>Delinquent<br/>As A Percent<br/>Net Current<br/>Tax Levy</u> |
|--------------------------------------|---|---|---|
| \$ 5,937,463                         | 97.90%  | \$ 27,182                                   | 0.45%   |
| \$ 6,465,428                         | 98.81%  | \$ 29,228                                   | 0.45%   |
| \$ 6,590,141                         | 97.64%  | \$ 31,012                                   | 0.46%   |
| \$ 6,730,379                         | 99.21%  | \$ 33,325                                   | 0.49%   |
| \$ 6,505,263                         | 98.33%  | \$ 33,053                                   | 0.50%   |
| \$ 6,724,628                         | 99.17%  | \$ 33,168                                   | 0.49%   |
| \$ 6,850,525                         | 99.82%  | \$ 33,551                                   | 0.49%   |
| \$ 7,055,889                         | 99.57%  | \$ 29,816                                   | 0.42%   |
| \$ 7,295,499                         | 100.03%   | \$ 33,755                                   | 0.46%   |
| \$ 7,639,739                         | 99.55%  | \$ 37,041                                   | 0.48%   |

**Table 9**

**City of Columbia, Missouri**

**SCHEDULE OF ELECTRIC SERVICE RATES \*  
LAST TEN FISCAL YEARS**

| <u>RESIDENTIAL SERVICE RATE (per kilowatt hour)</u>      |           | FY | 2015-2016 |
|--|-----------|----|-----------|
| Customer charge  | per month |    | \$15.60   |
| Energy charge first 300 kWh all season                   | ¢ per KWH |    | 7.520     |
| Energy charge next 450 kWh all season                    | ¢ per KWH |    | 9.8000    |
| Energy charge next 1,250 kWh summer                      | ¢ per KWH |    | 13.3600   |
| Energy charge All remaining kWh summer                   | ¢ per KWH |    | 14.4500   |
| Energy charge All remaining kWh nonsummer                | ¢ per KWH |    | 11.3200   |
| Electric Heating (October through May) First 300 kWh     | ¢ per KWH |    | 7.520     |
| Electric Heating (October through May) Next 450 kWh      | ¢ per KWH |    | 9.800     |
| Electric Heating (October through May) all remaining kWh | ¢ per KWH |    | 9.420     |
| Heat Pump (October through May) First 300 kWh            | ¢ per KWH |    | 7.520     |
| Heat Pump (October through May) next 450 kWh             | ¢ per KWH |    | 9.800     |
| Heat Pump (October through May) all remaining kWh        | ¢ per KWH |    | 8.9300    |
| <u>SMALL GENERAL SERVICE RATE (per kilowatt hour)</u>    |           |    |           |
| Customer charge (single-phase)                           | per month |    | \$15.60   |
| Customer charge (three-phase)                            | per month |    | \$25.70   |
| Energy charge first 500 kWh all season                   | ¢ per KWH |    | 8.000     |
| Energy charge next 1,000 kWh summer                      | ¢ per KWH |    | 10.200    |
| Energy charge All remaining kWh summer                   | ¢ per KWH |    | 14.070    |
| Energy charge All remaining kWh nonsummer                | ¢ per KWH |    | 10.200    |
| Electric Heating (October through May) First 500 kWh     | ¢ per KWH |    | 8.000     |
| Electric Heating (October through May) Next 1,000 kWh    | ¢ per KWH |    | 10.200    |
| Electric Heating (October through May) all remaining kWh | ¢ per KWH |    | 9.400     |
| Heat Pump (October through May) First 500 kWh            | ¢ per KWH |    | 8.000     |
| Heat Pump (October through May) next 1,000 kWh           | ¢ per KWH |    | 10.200    |
| Heat Pump (October through May) all remaining kWh        | ¢ per KWH |    | 8.8600    |
| <u>SPECIAL OUTDOOR LIGHTING</u>                          |           |    |           |
| Customer Charge  | per month |    | \$55.00   |
| Cost per KWH   | ¢ per KWH |    | 12.490    |
| <u>RESIDENTIAL SERVICE RATE (per kilowatt hour)</u>      |           |    | 2013-2014 |
| Customer charge  | per month |    | \$8.45    |
| All kWh winter, first 750 kWh summer                     | ¢ per KWH |    | 9.440     |
| Next 1,250 kWh summer                                    | ¢ per KWH |    | 12.7700   |
| Electric Heating (October through May) All kWh           | ¢ per KWH |    | 9.440     |
| Electric Heating (October through May) Over 750 kWh      | ¢ per KWH |    | 8.307     |
| Heat Pump (October through May) All kWh                  | ¢ per KWH |    | 8.450     |
| Heat Pump (October through May) Over 750 kWh             | ¢ per KWH |    | 8.0240    |
| <u>SMALL GENERAL SERVICE RATE (per kilowatt hour)</u>    |           |    |           |
| Customer charge (single-phase)                           | per month |    | \$8.45    |
| Customer charge (three-phase)                            | per month |    | \$10.85   |
| All kWh winter, first 1,500 kWh summer                   | ¢ per KWH |    | 9.440     |
| Over 1,500 kWh summer                                    | ¢ per KWH |    | 12.7700   |
| Electric Heating (October through May) All k Wh          | ¢ per KWH |    | 9.440     |
| Electric Heating (October through May) Over 1,500 kWh    | ¢ per KWH |    | 8.4960    |
| Heat pump (October through May) All k Wh                 | ¢ per KWH |    | 9.440     |
| Heat pump (October through May) over 1,500 kWh           | ¢ per KWH |    | 8.0240    |
| <u>PRIVATE STREET AND OUTDOOR AREA LIGHTING RATE</u>     |           |    |           |
| 100 Watt Mercury Vapor (M.V.)                            | per month |    | \$4.00    |
| 100 Watt High Pressure Sodium (H.P.S.)                   | per month |    | \$4.38    |
| 175 Watt M.V.  | per month |    | \$5.04    |
| 250 Watt M.V.  | per month |    | \$7.13    |
| 250 Watt H.P.S.  | per month |    | \$12.97   |
| 310 Watt H.P.S.  | per month |    | n/a       |
| 400 Watt H.P.S.  | per month |    | \$15.57   |
| 400 Watt M.V.  | per month |    | \$10.10   |
| 700 Watt M.V.  | per month |    | \$20.75   |
| 1,000 Watt M.V.  | per month |    | n/a       |
| 100 Watt H.P.S. PTL                                      | per month |    | \$9.78    |
| 175 Watt H.P.S. PTL                                      | per month |    | \$9.72    |
| <u>SPECIAL OUTDOOR LIGHTING</u>                          |           |    |           |
| Customer Charge  | per month |    | \$50.00   |
| Cost per KWH   | ¢ per KWH |    | 11.000    |
| <u>69 KV SERVICE RATE</u>                                |           |    |           |
| Demand charge (All KW of billing demand)                 | per KW    |    | n/a       |
| Energy charge (All KWH)                                  | ¢ per KWH |    | n/a       |

\* Rate structure was changed as of October 1, 2014 and the FY2015-2016 column reflects the rates in effect as of June 1, 2015. The electric service rates for residential service, small general service, and the energy charge portion for large general service and industrial services are increased or decreased by a fuel adjustment allowance. The fuel adjustment allowance is computed annually based on the energy costs estimate (purchased power and fuel) per kilowatt hour.

Table 9, cont.

**City of Columbia, Missouri**  
**SCHEDULE OF ELECTRIC SERVICE RATES \***  
**LAST TEN FISCAL YEARS**

| FY        | 2014-2015 |           |           |           |           |           |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| per month | \$15.60   |           |           |           |           |           |
| ¢ per KWH | 7.520     |           |           |           |           |           |
| ¢ per KWH | 9.8000    |           |           |           |           |           |
| ¢ per KWH | 13.3600   |           |           |           |           |           |
| ¢ per KWH | 14.4500   |           |           |           |           |           |
| ¢ per KWH | 11.3200   |           |           |           |           |           |
| ¢ per KWH | 7.520     |           |           |           |           |           |
| ¢ per KWH | 9.800     |           |           |           |           |           |
| ¢ per KWH | 9.420     |           |           |           |           |           |
| ¢ per KWH | 7.520     |           |           |           |           |           |
| ¢ per KWH | 9.800     |           |           |           |           |           |
| ¢ per KWH | 8.9300    |           |           |           |           |           |
|           |           |           |           |           |           |           |
| per month | \$15.60   |           |           |           |           |           |
| per month | \$25.70   |           |           |           |           |           |
| ¢ per KWH | 8.000     |           |           |           |           |           |
| ¢ per KWH | 10.200    |           |           |           |           |           |
| ¢ per KWH | 14.070    |           |           |           |           |           |
| ¢ per KWH | 10.200    |           |           |           |           |           |
| ¢ per KWH | 8.000     |           |           |           |           |           |
| ¢ per KWH | 10.200    |           |           |           |           |           |
| ¢ per KWH | 9.400     |           |           |           |           |           |
| ¢ per KWH | 8.000     |           |           |           |           |           |
| ¢ per KWH | 10.200    |           |           |           |           |           |
| ¢ per KWH | 8.8600    |           |           |           |           |           |
|           |           |           |           |           |           |           |
| per month | \$55.00   |           |           |           |           |           |
| ¢ per KWH | 12.490    |           |           |           |           |           |
|           |           |           |           |           |           |           |
| 2012-2013 | 2011-2012 | 2010-2011 | 2009-2010 | 2008-2009 | 2007-2008 | 2006-2007 |
| \$8.45    | \$7.20    | \$7.20    | \$6.95    | \$6.56    | \$6.25    | \$5.80    |
| 9.440     | 9.440     | 9.440     | 9.275     | 8.750     | 8.330     | 7.660     |
| 12.7700   | 12.7700   | 12.7700   | 12.6370   | 11.8100   | 11.2456   | 9.958     |
| 9.440     | 9.440     | 9.440     | 9.275     | 8.750     | 8.330     | 7.660     |
| 8.307     | 8.040     | 8.040     | 7.350     | 7.000     | 6.664     | 6.128     |
| 8.450     | 7.200     | 7.200     | 6.950     | 6.560     | 6.250     | 5.800     |
| 8.0240    | 7.5680    | 7.5680    | 6.8880    | 6.560     | 6.2475    | 5.362     |
|           |           |           |           |           |           |           |
| \$8.45    | \$7.20    | \$7.20    | \$6.95    | \$6.56    | \$6.25    | \$5.80    |
| \$10.85   | \$9.58    | \$9.58    | \$9.30    | \$8.85    | \$8.43    | \$7.82    |
| 9.440     | 9.300     | 9.300     | 9.036     | 8.453     | 8.050     | 7.726     |
| 12.7700   | 11.7470   | 11.7470   | 11.7470   | 10.9890   | 10.4650   | 10.0438   |
| 9.440     | 9.300     | 9.300     | 9.036     | 8.453     | n/a       | n/a       |
| 8.4960    | 8.3700    | 8.3700    | 8.1300    | 8.0300    | 7.6475    | 7.3397    |
| 9.440     | 9.300     | 9.300     | 9.036     | 8.453     | n/a       | n/a       |
| 8.0240    | 7.9050    | 7.9050    | 7.6800    | 6.7630    | 6.4400    | 6.5671    |
|           |           |           |           |           |           |           |
| \$4.00    | \$4.00    | \$4.00    | \$4.65    | \$4.65    | \$4.43    | \$4.22    |
| \$4.38    | \$4.38    | \$4.17    | \$5.00    | \$5.00    | \$4.76    | \$4.53    |
| \$5.04    | \$5.04    | \$4.80    | \$5.76    | \$5.76    | \$5.49    | \$5.23    |
| \$7.13    | \$7.13    | \$6.79    | \$8.15    | \$8.15    | \$7.76    | \$7.39    |
| \$12.97   | \$12.97   | \$12.35   | \$14.82   | \$14.82   | \$14.11   | \$13.44   |
| n/a       | n/a       | n/a       | \$16.18   | \$16.18   | \$15.41   | \$14.68   |
| \$15.57   | \$15.57   | \$14.83   | \$17.80   | \$17.80   | \$16.95   | \$16.14   |
| \$10.10   | \$10.10   | \$9.62    | \$11.55   | \$11.55   | \$11.00   | \$10.48   |
| \$20.75   | \$20.75   | \$20.75   | \$21.87   | \$21.87   | \$20.83   | \$19.84   |
| n/a       | n/a       | n/a       | \$29.27   | \$29.27   | \$27.88   | \$26.55   |
| \$9.78    | \$9.78    | \$9.31    | \$11.18   | \$11.18   | \$10.65   | \$10.14   |
| \$9.72    | \$9.72    | \$9.26    | \$11.11   | \$11.11   | \$10.58   | \$10.08   |
|           |           |           |           |           |           |           |
| \$50.00   | \$50.00   | \$50.00   | \$44.80   | \$44.80   | \$44.80   | \$44.80   |
| 11.000    | 11.000    | 11.000    | 10.875    | 10.875    | 10.875    | 10.875    |
|           |           |           |           |           |           |           |
| n/a       | n/a       | n/a       | n/a       | n/a       | n/a       | n/a       |
| n/a       | n/a       | n/a       | n/a       | n/a       | n/a       | n/a       |

**Table 10**

**City of Columbia, Missouri**

**SCHEDULE OF ELECTRIC SERVICE RATES \*  
LAST TEN FISCAL YEARS**

|  |           | FY 2015 - 2016 |             | FY 2014 - 2015 |             |
|--|-----------|----------------|-------------|----------------|-------------|
|  |           | Summer         | Nonsummer   | Summer         | Nonsummer   |
| <b><u>LARGE GENERAL SERVICE RATE</u></b> |           |                |             |                |             |
| Customer charge:                         | per month | \$45.00        | \$45.00     | \$45.00        | \$45.00     |
| Demand charge:                           |           |                |             |                |             |
| First 25 KW or less billing demand       |           | \$360.00       | \$270.00    | \$360.00       | \$270.00    |
| Additional KW                            | per KW    | \$15.60        | \$12.50     | \$15.60        | \$12.50     |
| Energy charge:                           |           |                |             |                |             |
| All KW                                   | ¢ per KWH | 5.630          | 4.900       | 5.630          | 4.900       |
| <b><u>INDUSTRIAL SERVICE RATE</u></b>    |           |                |             |                |             |
| Customer charge:                         | per month | \$150.00       | \$150.00    | \$150.00       | \$150.00    |
| Demand charge:                           |           |                |             |                |             |
| First 750 KW or less billing demand      |           | \$15,525.00    | \$12,375.00 | \$15,525.00    | \$12,375.00 |
| All additional KW                        | per KW    | \$20.70        | \$16.50     | \$20.70        | \$16.50     |
| Energy charge (All KWH)                  | ¢ per KWH | 4.730          | 4.040       | 4.730          | 4.040       |
|  |           | FY 2010 - 2011 |             | FY 2009 - 2010 |             |
|  |           | Summer         | Nonsummer   | Summer         | Nonsummer   |
| <b><u>LARGE GENERAL SERVICE RATE</u></b> |           |                |             |                |             |
| Customer charge:                         |           | n/a            | n/a         | n/a            | n/a         |
| Demand charge:                           |           |                |             |                |             |
| First 25 KW or less billing demand       | per KW    | \$376.50       | \$301.00    | \$369.75       | \$295.75    |
| Additional KW                            | per KW    | \$15.06        | \$12.04     | \$14.79        | \$11.83     |
| Energy charge:                           |           |                |             |                |             |
| All KW                                   | ¢ per KWH | 5.50           | 4.780       | 5.40           | 4.697       |
| First 360 KWH per KW of billing demand   | ¢ per KWH | n/a            | n/a         | n/a            | n/a         |
| All additional KWH                       | ¢ per KWH | n/a            | n/a         | n/a            | n/a         |
| <b><u>INDUSTRIAL SERVICE RATE</u></b>    |           |                |             |                |             |
| Customer charge:                         |           | n/a            | n/a         | n/a            | n/a         |
| Demand charge:                           |           |                |             |                |             |
| First 750 KW or less billing demand      |           | \$14,887.50    | \$11,910.00 | \$14,595.00    | \$11,677.50 |
| All additional KW                        | per KW    | \$19.85        | \$15.88     | \$19.46        | \$15.57     |
| Energy charge (All KWH)                  | ¢ per KWH | 4.434          | 3.800       | 4.347          | 3.728       |

\* The rates shown in this table are those in effect at June 1, 2015. The electric service rates for residential service, small general service, and the energy charge portion for large general service and industrial services are increased or decreased by a fuel adjustment allowance. The fuel adjustment allowance is computed annually based on the energy costs estimate (purchased power and fuel) per kilowatt hour.

**Table 10, cont.**

**City of Columbia, Missouri**

**SCHEDULE OF ELECTRIC SERVICE RATES \*  
LAST TEN FISCAL YEARS**

| FY 2013 - 2014 |             | FY 2012 - 2013 |             | FY 2011 - 2012 |             |
|----------------|-------------|----------------|-------------|----------------|-------------|
| Summer         | Nonsummer   | Summer         | Nonsummer   | Summer         | Nonsummer   |
| n/a            | n/a         | n/a            | n/a         | n/a            | n/a         |
| \$382.25       | \$305.50    | \$382.25       | \$305.50    | \$376.50       | \$301.00    |
| \$15.29        | \$12.22     | \$15.29        | \$12.22     | \$15.06        | \$12.04     |
| 5.555          | 4.828       | 5.555          | 4.828       | 5.50           | 4.780       |
| Summer         | Nonsummer   | Summer         | Nonsummer   | Summer         | Nonsummer   |
| n/a            | n/a         | n/a            | n/a         | n/a            | n/a         |
| \$14,962.50    | \$11,970.00 | \$14,962.50    | \$11,970.00 | \$14,887.50    | \$11,910.00 |
| \$19.95        | \$15.96     | \$19.95        | \$15.96     | \$19.85        | \$15.88     |
| 4.456          | 3.819       | 4.456          | 3.819       | 4.434          | 3.800       |
| FY 2008 - 2009 |             | FY 2007 - 2008 |             | FY 2006 - 2007 |             |
| Summer         | Nonsummer   | Summer         | Nonsummer   | Summer         | Nonsummer   |
| n/a            | n/a         | n/a            | n/a         | n/a            | n/a         |
| \$360.75       | \$288.50    | \$343.50       | \$274.75    | \$316.50       | \$253.25    |
| \$14.43        | \$11.54     | \$13.74        | \$10.99     | \$12.66        | \$10.13     |
| 5.22           | 4.54        | 4.97           | 4.32        | 4.58           | 3.98        |
| n/a            | n/a         | n/a            | n/a         | n/a            | n/a         |
| n/a            | n/a         | n/a            | n/a         | n/a            | n/a         |
| Summer         | Nonsummer   | Summer         | Nonsummer   | Summer         | Nonsummer   |
| n/a            | n/a         | n/a            | n/a         | n/a            | n/a         |
| \$14,100.00    | \$11,280.00 | \$12,195.00    | \$9,757.50  | \$11,287.50    | \$9,030.00  |
| \$18.80        | \$15.04     | \$16.26        | \$13.01     | \$15.05        | \$12.04     |
| 4.200          | 3.60        | 3.565          | 3.10        | 3.08           | 2.93        |

Table 11

City of Columbia, Missouri

SCHEDULE OF WATER SERVICE RATES \*  
LAST TEN FISCAL YEARS

|   |             | 2015-2016                |              | 2014-2015                |              |
|---|-------------|--------------------------|--------------|--------------------------|--------------|
|   |             | Inside City              | Outside City | Inside City              | Outside City |
|   |             | Limits                   | Limits       | Limits                   | Limits       |
| Residential*: All CCF   | per 100 CCF | \$2.790                  | \$3.710      | \$2.790                  | \$3.710      |
| Commercial*: All CCF  | per 100 CCF | \$2.600                  | \$3.460      | \$2.600                  | \$3.460      |
| Large Commercial*: All CCF  | per 100 CCF | \$2.430                  | \$3.230      | \$2.430                  | \$3.230      |
| *Summer Surcharged Rate:<br>(June, July, August, and September<br>water use in excess of 100% average<br>for nonsummer use) | per 100 CCF | \$3.910                  | \$5.200      | \$3.910                  | \$5.200      |
|   |             | Minimum Charge Per Month |              | Minimum Charge Per Month |              |
|   |             | Inside City              | Outside City | Inside City              | Outside City |
|   |             | Limits                   | Limits       | Limits                   | Limits       |
| <b>Meter Size</b>   |             |                          |              |                          |              |
| 5/8 inch and 3/4 inch   |             | \$8.30                   | \$11.04      | \$8.30                   | \$11.04      |
| 1 inch  |             | \$8.73                   | \$11.61      | \$8.73                   | \$11.61      |
| 1 1/2 inch  |             | \$12.84                  | \$17.08      | \$12.84                  | \$17.08      |
| 2 inch  |             | \$13.46                  | \$17.90      | \$13.46                  | \$17.90      |
| 3 inch  |             | \$22.67                  | \$28.71      | \$21.59                  | \$28.71      |
| 4 inch  |             | \$33.61                  | \$42.58      | \$32.01                  | \$42.58      |
| 6 inch  |             | \$64.63                  | \$81.86      | \$61.55                  | \$81.86      |

|   |             | 2010-2011                |              | 2009-2010                |              |
|---|-------------|--------------------------|--------------|--------------------------|--------------|
|   |             | Inside City              | Outside City | Inside City              | Outside City |
|   |             | Limits                   | Limits       | Limits                   | Limits       |
| Residential*: All CCF   | per 100 CCF | \$2.400                  | \$3.190      | \$2.182                  | \$2.902      |
| Commercial*: All CCF  | per 100 CCF | \$2.222                  | \$2.955      | \$2.020                  | \$2.687      |
| Large Commercial*: All CCF  | per 100 CCF | \$2.084                  | \$2.772      | \$1.894                  | \$2.519      |
| *Summer Surcharged Rate:<br>(June, July, August, and September<br>water use in excess of 100% average<br>for nonsummer use) | per 100 CCF | \$3.360                  | \$4.470      | \$3.055                  | \$4.063      |
|   |             | Minimum Charge Per Month |              | Minimum Charge Per Month |              |
|   |             | Inside City              | Outside City | Inside City              | Outside City |
|   |             | Limits                   | Limits       | Limits                   | Limits       |
| <b>Minimum Charge Per Month</b>   |             |                          |              |                          |              |
| <b>Meter Size</b>   |             |                          |              |                          |              |
| 5/8 inch and 3/4 inch   |             | \$6.33                   | \$8.42       | \$5.86                   | \$7.79       |
| 1 inch  |             | \$6.64                   | \$8.83       | \$6.15                   | \$8.18       |
| 1 1/2 inch  |             | \$8.60                   | \$11.44      | \$7.96                   | \$10.59      |
| 2 inch  |             | \$9.07                   | \$12.06      | \$8.40                   | \$11.17      |
| 3 inch  |             | \$19.04                  | \$25.32      | \$17.63                  | \$23.45      |
| 4 inch  |             | \$28.23                  | \$37.55      | \$26.14                  | \$34.77      |
| 6 inch  |             | \$54.28                  | \$72.19      | \$50.26                  | \$66.85      |



Table 11, cont.

City of Columbia, Missouri

SCHEDULE OF WATER SERVICE RATES  
LAST TEN FISCAL YEARS

| 2013-2014                |              | 2012-2013                |              | 2011-2012                |              |
|--------------------------|--------------|--------------------------|--------------|--------------------------|--------------|
| Inside City              | Outside City | Inside City              | Outside City | Inside City              | Outside City |
| Limits                   | Limits       | Limits                   | Limits       | Limits                   | Limits       |
| \$2.790                  | \$3.710      | \$2.720                  | \$3.620      | \$2.590                  | \$3.450      |
| \$2.600                  | \$3.460      | \$2.520                  | \$3.350      | \$2.400                  | \$3.190      |
| \$2.430                  | \$3.230      | \$2.360                  | \$3.140      | \$2.250                  | \$2.990      |
| \$3.910                  | \$5.200      | \$3.810                  | \$5.070      | \$3.630                  | \$4.830      |
| Minimum Charge Per Month |              | Minimum Charge Per Month |              | Minimum Charge Per Month |              |
| Inside City              | Outside City | Inside City              | Outside City | Inside City              | Outside City |
| Limits                   | Limits       | Limits                   | Limits       | Limits                   | Limits       |
| \$8.30                   | \$11.04      | \$7.90                   | \$10.50      | \$7.52                   | \$10.00      |
| \$8.73                   | \$11.61      | \$8.31                   | \$11.05      | \$7.91                   | \$10.51      |
| \$12.84                  | \$17.08      | \$12.22                  | \$16.26      | \$11.64                  | \$15.48      |
| \$13.46                  | \$17.90      | \$12.81                  | \$17.04      | \$12.20                  | \$16.23      |
| \$21.59                  | \$28.71      | \$21.59                  | \$28.71      | \$20.56                  | \$27.35      |
| \$32.01                  | \$42.58      | \$32.01                  | \$42.58      | \$30.49                  | \$40.55      |
| \$61.55                  | \$81.86      | \$61.55                  | \$81.86      | \$58.62                  | \$77.97      |

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| 2008-2009                |              | 2007-2008                |              | 2006-2007                |              |
|--------------------------|--------------|--------------------------|--------------|--------------------------|--------------|
| Inside City              | Outside City | Inside City              | Outside City | Inside City              | Outside City |
| Limits                   | Limits       | Limits                   | Limits       | Limits                   | Limits       |
| \$1.980                  | \$2.630      | \$1.932                  | \$2.570      | \$1.840                  | \$2.447      |
| \$1.830                  | \$2.430      | \$1.750                  | \$2.328      | \$1.606                  | \$2.136      |
| \$1.720                  | \$2.290      | \$1.670                  | \$2.221      | \$1.505                  | \$2.002      |
| \$2.772                  | \$3.687      | \$2.705                  | \$3.598      | \$2.576                  | \$3.426      |
| Minimum Charge Per Month |              | Minimum Charge Per Month |              | Minimum Charge Per Month |              |
| Inside City              | Outside City | Inside City              | Outside City | Inside City              | Outside City |
| Limits                   | Limits       | Limits                   | Limits       | Limits                   | Limits       |
| \$5.40                   | \$7.18       | \$5.40                   | \$7.18       | \$5.40                   | \$7.18       |
| \$5.80                   | \$7.71       | \$5.80                   | \$7.71       | \$5.80                   | \$7.71       |
| \$7.85                   | \$10.44      | \$8.35                   | \$11.11      | \$8.35                   | \$11.11      |
| \$8.29                   | \$11.03      | \$8.97                   | \$11.92      | \$8.97                   | \$11.92      |
| \$17.45                  | \$23.21      | \$21.96                  | \$29.20      | \$21.96                  | \$29.20      |
| \$25.89                  | \$34.43      | \$33.93                  | \$45.13      | \$33.93                  | \$45.13      |
| \$47.84                  | \$63.63      | \$67.86                  | \$90.26      | \$67.86                  | \$90.26      |

**Table 12**

**City of Columbia, Missouri**

**SCHEDULE OF SANITARY SEWER SERVICE RATES  
LAST TEN FISCAL YEARS**

|                      |                   | <u>2015-2016</u>             | <u>2014-2015</u> | <u>2013-2014</u> | <u>2012-2013</u> | <u>2011-2012</u> |
|----------------------|-------------------|------------------------------|------------------|------------------|------------------|------------------|
| Residential: (a)     |                   |                              |                  |                  |                  |                  |
| Base Charge          | per month         | \$11.01                      | \$11.01          | \$7.30           | \$7.30           | \$6.35           |
| All Volume           | per 100 cu. ft.   | \$2.270                      | \$2.270          | \$2.414          | \$2.414          | \$2.099          |
| Non-Residential: (a) |                   |                              |                  |                  |                  |                  |
|                      | <u>Meter size</u> | <u>Base Charge per month</u> |                  |                  |                  |                  |
|                      | 5/8 inch          | \$11.01                      | \$11.01          | \$7.30           | \$7.30           | \$6.35           |
|                      | 3/4 inch          | \$16.52                      | \$16.52          | \$12.17          | \$12.17          | \$10.58          |
|                      | 1 inch            | \$27.53                      | \$27.53          | \$24.33          | \$24.33          | \$21.16          |
|                      | 1 1/2 inch        | \$55.05                      | \$55.05          | \$48.67          | \$48.67          | \$42.32          |
|                      | 2 inch            | \$88.08                      | \$88.08          | \$77.87          | \$77.87          | \$67.71          |
|                      | 3 inch            | \$176.16                     | \$176.16         | \$155.73         | \$155.73         | \$135.42         |
|                      | 4 inch            | \$275.25                     | \$275.25         | \$243.34         | \$243.34         | \$211.60         |
|                      | 6 inch*           | \$550.50                     | \$550.50         | \$1,460.04       | \$1,460.04       | \$1,269.60       |
|                      | 8 inch*           | \$880.80                     | \$880.80         | \$1,946.72       | \$1,946.72       | \$1,692.80       |
|                      | 10 inch*          | \$1,266.15                   | \$1,266.15       | \$2,676.74       | \$2,676.74       | \$2,327.60       |
|                      | 12 inch*          | \$2,367.15                   | \$2,367.15       | \$3,650.10       | \$3,650.10       | \$3,174.00       |
| All Volume           | per 100 cu. ft.   | \$2.270                      | \$2.270          | \$2.414          | \$2.414          | \$2.099          |
| Residential: (a)     |                   |                              |                  |                  |                  |                  |
|                      |                   | <u>2010-2011</u>             | <u>2009-2010</u> | <u>2008-2009</u> | <u>2007-2008</u> | <u>2006-2007</u> |
| Service Charge       | per month         | \$7.00                       | \$6.09           | \$5.30           | \$4.61           | \$4.35           |
| All Volume           | per 100 cu. ft.   | \$1.660                      | \$1.440          | \$1.250          | \$1.090          | \$1.030          |

(a) Prior to 2012, the base charge was for residential and commercial users. In fiscal year 2012, the classifications and definitions of users for sanitary sewer charges was amended from residential and commercial to residential and non-residential.

\* In FY15, the meter capacity flow ratios were changed to incorporate the American Water Works Association maximum flow ratio standards and the base charge was adjusted accordingly.

## City of Columbia, Missouri

SCHEDULE OF MARKETABLE SECURITIES AND INVESTMENTS  
SEPTEMBER 30, 2016

| Identification Number and Issuing Institution | Purchase Date | Face Amount, or Shares | Maturity Date | Coupon Interest Rate | Cost      | Fair Value 09/30/16 |
|---|---------------|------------------------|---------------|----------------------|-----------|---------------------|
| POOLED CASH:                                  |               |                        |               |                      |           |                     |
| U. S. Government and Agency Securities:       |               |                        |               |                      |           |                     |
| FHLMC PL291302 - 31344XNTO                    | various       | 58,282,764             | 04/01/17      | 7.000%               | 59,329    | 8,300               |
| FHLMC C90211 - 31335HG1                       | 12/12/02      | 3,500,000              | 04/01/18      | 6.500%               | 59,274    | 2,856               |
| FHLMC J07957 - 3128PKZW7                      | 04/16/09      | 1,500,000              | 05/01/18      | 5.000%               | 99,421    | 42,449              |
| FNMA 257428 - 31371N4M4                       | 10/20/08      | 2,000,000              | 10/01/18      | 5.000%               | 59,234    | 59,654              |
| FNMA 756831 - 31403SY42                       | 02/18/09      | 2,677,630              | 12/01/18      | 5.000%               | 78,107    | 41,427              |
| FHLMC C90263 - 31335HIG9                      | 05/17/99      | 1,000,000              | 04/01/19      | 7.000%               | 27,408    | 4,490               |
| FED INVESTMENT CORP - 317705AP6               | 05/26/09      | 1,710,000              | 09/26/19      | 8.600%               | 2,290,545 | 2,083,088           |
| FNMA GTD MTG 826269 - 31407B6E4               | 06/17/08      | 1,540,000              | 07/01/20      | 5.000%               | 54,873    | 53,367              |
| FHR 1013 Z - 312904RL1                        | 11/21/02      | 780,000                | 10/15/20      | 9.000%               | 23,360    | 1,302               |
| FHLMC G11813 - 31336WAM1                      | 09/21/07      | 2,600,000              | 11/01/20      | 5.000%               | 87,318    | 118,332             |
| FGG 11945 - 3128M1BN8                         | 06/27/08      | 2,000,000              | 12/01/20      | 5.000%               | 69,363    | 86,833              |
| FGJ1515 - 3128PUVG4                           | 10/16/12      | 3,100,000              | 04/01/21      | 3.500%               | 815,632   | 718,984             |
| FG G12740 - 3128MBHR1                         | 11/17/11      | 6,150,000              | 05/01/21      | 5.000%               | 448,307   | 303,714             |
| FNMA PL 253945 - 31371KBN0                    | 04/29/02      | 1,200,000              | 08/01/21      | 6.500%               | 31,558    | 8,499               |
| FHR 11161                                     | 11/30/98      | 505,000                | 08/15/21      | 5.500%               | -         | 2,635               |
| FHR 1125 X - 312906XG0                        | various       | 950,000                | 08/15/21      | 8.250%               | 43,153    | 13,144              |
| FFCB BOND - 31331XXG6                         | 04/03/09      | 2,045,000              | 08/23/21      | 5.550%               | 2,244,878 | 2,447,599           |
| FHLMC CTF5 J03849 - 3128PFH24                 | 06/22/07      | 2,000,000              | 11/01/21      | 5.000%               | -         | 44,022              |
| FHR 1163 JA - 3129072D9                       | 11/29/99      | 500,000                | 11/15/21      | 7.000%               | 1,169     | 4,092               |
| FHLMC MED TERM NOTE - 3134G45T1               | 06/10/13      | 2,000,000              | 12/10/21      | 2.000%               | 2,000,000 | 2,052,900           |
| FNR 91-162 GA - 31358KF37                     | 02/20/01      | 493,000                | 12/25/21      | 8.250%               | 16,990    | 3,228               |
| FHLMC REMIC 1280 CL B - 312909J88             | various       | 78,574,999             | 04/15/22      | 6.000%               | 135,881   | 39,437              |
| FNMA 2013-123 WG - 3136A9ZB7                  | 11/27/13      | 2,700,000              | 11/25/22      | 2.500%               | 1,895,517 | 1,977,619           |
| FN 254797 - 31371K7J4                         | 05/20/09      | 4,000,000              | 06/01/23      | 5.000%               | 208,539   | 157,570             |
| FHLMC C90787 GOLD - 31335HZU6                 | 02/12/04      | 1,758,744              | 11/01/23      | 4.000%               | 57,579    | 157,596             |
| FNMA 255114 - 31371LK32                       | 04/15/04      | 2,000,000              | 03/01/24      | 5.000%               | 141,421   | 130,447             |
| GNMA 782603 - 36241K3L0                       | 03/15/12      | 3,500,000              | 03/15/24      | 4.000%               | 591,862   | 462,479             |
| FNMA PL 890112 - 31410K3V4                    | 06/23/11      | 3,000,000              | 04/01/24      | 4.000%               | 277,122   | 194,543             |
| FHLMC CALLABLE - 3134G8ZT9                    | 04/26/16      | 3,000,000              | 04/26/24      | 1.500%               | 3,000,000 | 2,983,740           |
| FNMA 255271 - 31371LQY8                       | 05/20/04      | 2,000,000              | 05/01/24      | 5.000%               | 59,421    | 118,655             |
| FHLB CALLABLE - 3130A1RQ3                     | 05/14/14      | 2,000,000              | 05/14/24      | 2.000%               | 2,000,000 | 2,046,940           |
| FGG 18312 - 3128MMK28                         | 09/19/11      | 3,000,000              | 06/01/24      | 4.000%               | 423,005   | 324,842             |
| FHLMC C90844 - 31335H5D1                      | 12/13/10      | 7,900,000              | 08/01/24      | 4.500%               | 521,401   | 402,944             |
| FHLMC CTF5 J11270 - 3128PQMT5                 | 12/17/09      | 2,154,035              | 11/01/24      | 4.000%               | 256,213   | 207,226             |
| FHLB BOND STEP UP CALLABLE - 3130A43T7        | 02/27/15      | 2,000,000              | 02/27/25      | 1.000%               | 2,000,000 | 1,999,020           |
| FHR 3649 BW - 31398V7F7                       | 06/15/12      | 2,000,000              | 03/15/25      | 4.000%               | 583,716   | 489,618             |
| FHLMC G14052 - 3128MCWM3                      | 12/15/11      | 3,270,417              | 04/01/25      | 4.000%               | 609,157   | 501,618             |
| FNR 2014-14 KV - 3136AJRQ1                    | 05/28/14      | 2,000,000              | 08/25/25      | 3.000%               | 1,702,290 | 1,716,410           |
| FN 890263 - 31410LB84                         | 11/17/11      | 3,050,000              | 11/01/25      | 4.000%               | 710,840   | 610,103             |
| FNR 2011-58 KA - 31397UZT9                    | 08/15/11      | 2,500,000              | 02/25/26      | 3.500%               | 240,043   | 128,218             |
| FHR 3840 KT - 3137A9FB7                       | 04/29/11      | 2,000,000              | 03/15/26      | 3.500%               | 629,379   | 654,222             |
| FHLMC REMIC 4215 KV - 3137B34Q8               | 08/20/13      | 2,000,000              | 06/15/26      | 3.500%               | 1,659,260 | 1,662,005           |
| FHLMC PC GOLD 15 Yr - 3128PWEA2               | 09/19/11      | 2,500,000              | 08/01/26      | 3.000%               | 1,064,586 | 1,028,690           |
| FHR 1883 L - 31337WD7                         | 05/10/02      | 2,000,000              | 09/15/26      | 7.000%               | 149,511   | 84,148              |
| FHLMC GOLD #G0307 - 3128CUK9                  | 05/13/08      | 2,500,000              | 01/01/27      | 6.000%               | 187,950   | 157,672             |
| FNR 2012-43 AC - 3136ASY6                     | 04/30/12      | 2,200,000              | 04/25/27      | 1.750%               | 1,034,504 | 999,517             |
| FN 256751 - 31371NEY7                         | 07/13/09      | 3,500,000              | 06/01/27      | 5.500%               | 272,211   | 185,831             |
| FHLMC REMIC 4097 HK - 3137ATKU5               | 10/17/12      | 2,000,000              | 08/15/27      | 1.750%               | 1,272,773 | 1,220,095           |
| FHLMC REMIC 4129 AP - 3137AVYK7               | 12/11/12      | 2,000,000              | 11/15/27      | 1.500%               | 1,260,385 | 1,241,581           |
| FHLMC CTF5 D97497 - 3128E4KJ0                 | 12/12/07      | 1,143,366              | 12/01/27      | 5.000%               | 110,116   | 139,345             |
| FGC C91164 - 3128P7JH7                        | various       | 4,000,000              | 03/01/28      | 5.000%               | 202,770   | 146,806             |
| FNMA GTD MTG 257154 - 31371NFK1               | 03/28/08      | 2,294,345              | 03/01/28      | 4.500%               | 70,013    | 114,272             |
| FNMA REMIC 2013-18 CL AE - 3136ACA27          | 05/13/13      | 2,500,000              | 03/25/28      | 2.000%               | 1,572,885 | 1,527,172           |
| FGC 91167 - 3128P7JL8                         | 04/29/08      | 2,000,000              | 04/01/28      | 5.000%               | 71,487    | 91,081              |
| FHLB BOND STEP UP CALLABLE - 3130A7P41        | 04/28/16      | 3,000,000              | 04/28/28      | 2.000%               | 3,000,000 | 3,000,270           |
| FNMA REMIC 2013-45 AB - 3136AD2P3             | 06/25/14      | 2,000,000              | 05/25/28      | 1.500%               | 788,877   | 820,724             |
| GNMA POOL 002633M - 36202C4S9                 | 08/24/98      | 1,000,000              | 08/20/28      | 8.000%               | 34,959    | 2,594               |
| FHR 4493 VH - 3137BKM5                        | 09/22/15      | 3,000,000              | 09/15/28      | 3.000%               | 2,897,196 | 2,937,343           |
| FHLMC REMIC 3845 EK - 3137A9RZ1               | 09/20/11      | 3,555,000              | 01/15/29      | 4.000%               | 757,475   | 578,312             |
| FGC 91281 - 3128P7M67                         | 03/12/12      | 2,685,000              | 12/01/29      | 4.500%               | 517,502   | 429,107             |
| FNMA REMIC 2013-128 CL A - 3136AHNW6          | 05/23/14      | 2,000,000              | 12/25/30      | 3.500%               | 1,108,848 | 1,057,933           |
| FNMA CALLABLE - 3136G3JC0                     | 04/28/16      | 2,000,000              | 04/28/31      | 2.000%               | 1,998,000 | 1,995,820           |
| FNMA 0816 - 31417Y4A2                         | 10/13/11      | 2,035,707              | 08/01/31      | 4.500%               | 862,514   | 794,043             |
| FNMA MA0878 - 31417Y6Q5                       | 11/14/11      | 2,000,000              | 10/01/31      | 4.000%               | 810,976   | 777,609             |
| FNMA MA0885 - 31417Y6X0                       | 11/14/11      | 2,000,000              | 10/01/31      | 3.500%               | 613,738   | 579,167             |
| FHR 2647 A - 31394GBQ5                        | 08/24/11      | 11,373,000             | 04/15/32      | 3.250%               | 513,222   | 471,773             |
| FNR 2003-18 PA - 31392JVZ9                    | 11/18/09      | 25,750,000             | 07/25/32      | 4.000%               | 504,729   | 463,460             |
| FHLMC REMIC 4160 HP - 3137AXUG6               | 02/12/13      | 3,000,000              | 01/15/33      | 2.500%               | 2,038,124 | 1,981,952           |
| GNR 2003-70 TE - 38374BG80                    | 12/14/06      | 923,000                | 02/20/33      | 5.500%               | 113,796   | 119,334             |
| FHR 4342 DA - 3137BAYE6                       | 08/28/14      | 2,050,000              | 03/15/33      | 2.500%               | 1,473,579 | 1,479,846           |
| FNMA SER 03-43 CL YA - 31393A5B9              | 10/29/10      | 5,500,000              | 03/25/33      | 4.000%               | 168,932   | 124,028             |
| FNR 2013-35 KL - 3136ADSY6                    | 03/15/16      | 4,000,000              | 04/25/33      | 2.000%               | 2,799,235 | 2,760,606           |
| FNR 2003-35 UM - 31393BM77                    | 08/11/09      | 15,000,000             | 05/25/33      | 4.500%               | 457,054   | 449,271             |
| FHLMC ARM 1B0984 - 31336SUH9                  | 02/23/04      | 2,000,000              | 07/01/33      | 3.295%               | 85,943    | 102,363             |
| FHR 2877 PA - 31395HMH0                       | 12/16/08      | 1,550,000              | 07/15/33      | 5.500%               | 90,586    | 69,943              |
| FNMA ARM 742243 - 31402YS88                   | 12/23/03      | 1,000,000              | 09/01/33      | 3.816%               | 46,039    | 41,993              |
| FHLMC CO1647 - 31292HZL1                      | 12/13/10      | 5,500,000              | 10/01/33      | 4.500%               | 520,377   | 444,133             |
| FNMA 190346 - 31368HL35                       | 05/13/10      | 5,695,000              | 12/01/33      | 5.500%               | 339,858   | 257,122             |
| FHR 3778 - 3137A45W3                          | 05/09/11      | 2,500,000              | 12/15/33      | 4.000%               | 2,036,198 | 2,231,681           |
| FNMA 725206 - 31402CU75                       | 12/13/10      | 7,800,000              | 02/01/34      | 5.500%               | 468,658   | 336,042             |
| FNMA PL 777716 - 31404TAR4                    | 04/26/04      | 2,000,000              | 04/01/34      | 3.750%               | 140,427   | 151,621             |
| FNMA ARM 775566 - 31404QTX7                   | 02/22/05      | 1,000,000              | 05/01/34      | 4.146%               | 34,810    | 35,572              |
| FNMA ARM 779076 - 31404UQ52                   | 06/24/04      | 2,000,000              | 05/01/34      | 3.790%               | 105,297   | 148,910             |
| FHR 2881 AE - 31395J5C6                       | 03/24/09      | 5,080,000              | 08/15/34      | 5.000%               | 296,766   | 214,611             |
| FHR 2963 BK - 31395TLX0                       | 07/01/11      | 5,000,000              | 09/15/34      | 4.000%               | 100,998   | 25,073              |
| FHR 2963 BP - 31395TM35                       | 12/19/06      | 2,160,000              | 09/15/34      | 5.000%               | -         | 10,823              |
| FHLMC ARM 1B2795 - 3128JM7H4                  | 03/23/05      | 2,000,000              | 03/01/35      | 4.446%               | 206,838   | 220,406             |
| FHR 2942 LA - 31395PHQ8                       | 08/13/09      | 2,250,000              | 05/15/35      | 5.000%               | 238,278   | 239,907             |
| FNR 2005-29 AU - 31394DHY9                    | 03/28/08      | 2,000,000              | 04/25/35      | 4.500%               | 140,884   | 175,389             |
| FHR 3289 ND - 31397FP48                       | 05/18/09      | 2,000,000              | 06/15/35      | 5.500%               | 106,270   | 10,061              |
| SARM 05-22 1A2 - 863579F52                    | 12/07/05      | 980,772                | 12/25/35      | 5.250%               | 74,383    | 28,526              |
| FHLMC PL G02252 - 3128LXQD5                   | 06/13/11      | 6,500,000              | 07/01/36      | 5.500%               | 381,719   | 232,129             |
| FNR 2008-41 MD - 31397LLU1                    | 03/09/10      | 3,000,000              | 11/25/36      | 4.500%               | 476,620   | 455,745             |
| FNMA 888131 - 31410FVY8                       | 07/13/09      | 3,615,000              | 02/01/37      | 5.500%               | 182,809   | 145,699             |
| FHR 3283 - 31397EXX8                          | 10/29/09      | 3,457,300              | 02/15/37      | 5.000%               | 112,426   | 34,843              |
| FHLMC G03035 - 3128M4V42                      | 05/12/11      | 5,360,000              | 07/01/37      | 5.500%               | 333,490   | 196,294             |
| FNMA CL 888707 - 31410GKU6                    | 05/12/09      | 1,550,000              | 10/01/37      | 7.500%               | 151,429   | 88,001              |
| FHR 4385 JA - 3137BDSX5                       | 04/12/16      | 5,000,000              | 10/15/37      | 2.500%               | 3,162,459 | 3,128,716           |
| GNMA 2012-07 PH - 38378CQF7                   | 08/28/13      | 2,000,000              | 01/20/38      | 2.750%               | 777,867   | 774,558             |

## City of Columbia, Missouri

SCHEDULE OF MARKETABLE SECURITIES AND INVESTMENTS  
SEPTEMBER 30, 2016

| Identification Number and Issuing Institution | Purchase Date | Face Amount, or Shares | Maturity Date | Coupon Interest Rate | Cost      | Fair Value 09/30/16 |
|---|---------------|------------------------|---------------|----------------------|-----------|---------------------|
| FHLMC PL G04913 - 3128M6Y11                   | 04/12/12      | 5,250,000              | 03/01/38      | 5.000%               | 493,682   | 369,522             |
| FHLMC ARM 783263 - 31349UTU2                  | 06/24/08      | 1,500,000              | 05/01/38      | 4.500%               | 27,853    | 125,522             |
| FHLMC ARM 783264 - 31349UTV0                  | 11/24/08      | 2,000,000              | 05/01/38      | 4.460%               | 79,798    | 38,247              |
| FHR 3448 AG - 31397TI37                       | 03/19/09      | 3,100,000              | 05/15/38      | 5.000%               | 317,567   | 248,340             |
| GNR 2008-82A - 38375YEK4                      | 10/14/08      | 2,000,000              | 09/20/38      | 6.000%               | 170,060   | 133,799             |
| GNR 2009-93 PB - 38376KLZ2                    | 08/26/11      | 4,000,000              | 12/16/38      | 3.000%               | 210,176   | 137,739             |
| FNR 2010-134 DJ - 31398SMH3                   | 11/14/11      | 2,225,000              | 03/25/39      | 2.250%               | 837,708   | 824,858             |
| FHR 3796 LA - 3137ASZA5                       | 07/10/12      | 2,200,000              | 06/15/39      | 2.000%               | 704,536   | 679,972             |
| GNMA 4461M - 36202ESW5                        | 11/18/10      | 2,050,000              | 06/20/39      | 4.500%               | 198,756   | 113,382             |
| GNR 10-125 TC - 38377JD83                     | 01/22/14      | 3,000,000              | 06/20/39      | 2.500%               | 726,665   | 749,367             |
| FNR 2009-50 MJ - 31396QMC0                    | 08/22/11      | 3,100,000              | 06/25/39      | 4.000%               | 248,412   | 170,258             |
| FNR 2009-78 BQ - 31398FKY6                    | 02/17/12      | 3,500,000              | 06/25/39      | 4.500%               | 507,949   | 379,453             |
| FNR 2009-78 BM - 31398FLA7                    | 03/25/11      | 2,500,000              | 06/25/39      | 4.000%               | 313,744   | 269,333             |
| GNMA 2012-27 CL A - 38378BQA0                 | 05/01/13      | 2,000,000              | 07/16/39      | 1.614%               | 1,317,634 | 1,280,389           |
| GNR 2009-58 AC - 38375SD3D8                   | 03/16/11      | 3,000,000              | 07/20/39      | 4.000%               | 358,607   | 318,182             |
| GNR 2010-30 BP - 38376XZC0                    | 04/23/14      | 5,645,000              | 07/20/39      | 3.500%               | 1,494,052 | 1,411,420           |
| GNMA SER 2010-04 JC - 38376T2H4               | 12/16/10      | 2,350,000              | 08/16/39      | 3.000%               | 316,219   | 269,289             |
| GNR 2012-39 MP - 38378DPL3                    | 09/13/12      | 2,000,000              | 08/20/39      | 2.000%               | 744,450   | 698,577             |
| FHR 3753 PG - 3137A3ME6                       | 07/18/13      | 4,000,000              | 09/15/39      | 2.500%               | 1,236,040 | 1,304,496           |
| GNR 2011-39 NE - 38377QXX0                    | 02/18/15      | 7,000,000              | 09/16/39      | 3.500%               | 1,220,744 | 1,165,633           |
| GNMA REMIC 09-093 HB - 38376KKX8              | 10/30/09      | 2,000,000              | 09/20/39      | 3.000%               | 169,522   | 170,660             |
| FNR 2011-27 JQ - 31397SGM0                    | 07/31/12      | 2,000,000              | 09/25/39      | 4.000%               | 493,766   | 385,108             |
| FHR 3795 EB - 3137ASMK7                       | 11/26/14      | 3,500,000              | 10/15/39      | 2.500%               | 1,306,632 | 1,302,999           |
| GNR 10-117 GD - 38377JZ48                     | 08/06/13      | 2,429,000              | 10/20/39      | 3.000%               | 679,330   | 674,196             |
| FNR 2015-12 DA - 3136AMJ75                    | 12/16/15      | 1,700,000              | 11/25/39      | 2.500%               | 1,315,892 | 1,322,487           |
| FHR 3725 PD - 3137A1UP6                       | 10/17/14      | 4,100,000              | 01/15/40      | 2.500%               | 1,230,444 | 1,223,397           |
| GNR 2015-57 GA - 38379LLU8                    | 07/22/15      | 2,050,000              | 01/20/40      | 2.500%               | 1,340,052 | 1,310,824           |
| FNR 2010-57 HA - 31398RC94                    | 02/29/12      | 2,577,000              | 02/25/40      | 3.500%               | 508,326   | 417,943             |
| FHR 3997 LN - 3137AMBU0                       | 02/29/12      | 2,000,000              | 03/15/40      | 2.500%               | 585,414   | 543,506             |
| FNR 12-114 GB - 3136A9LG1                     | 12/07/12      | 1,698,474              | 03/25/40      | 1.750%               | 982,571   | 974,392             |
| GNR 12-94 GA - 38375GQW4                      | 07/26/13      | 2,350,000              | 05/20/40      | 2.500%               | 925,444   | 971,376             |
| FNR 2012-129 TD - 3136AAEK7                   | 11/30/12      | 2,000,000              | 05/25/40      | 2.000%               | 909,365   | 863,326             |
| FHR 3819 - 3137A8LS5                          | 05/27/11      | 2,000,000              | 06/15/40      | 4.000%               | 856,112   | 820,186             |
| FNR 2010-87 PJ - 31398TZI3                    | 05/24/11      | 2,000,000              | 06/25/40      | 3.500%               | 261,475   | 244,122             |
| FNR 2014-19 HA - 3136AJP65                    | 04/21/14      | 2,000,000              | 06/25/40      | 2.000%               | 511,573   | 501,544             |
| FNR 2010-100 LA - 31398NJE5                   | 03/12/12      | 2,600,000              | 07/25/40      | 2.500%               | 682,606   | 635,998             |
| FHR 4103 DC - 3137AU7H6                       | 09/28/12      | 2,000,000              | 09/15/40      | 2.000%               | 1,185,244 | 1,175,999           |
| FHLMC REMIC 3752 PD - 3137A2W98               | 04/29/15      | 2,000,000              | 09/15/40      | 2.750%               | 738,876   | 723,174             |
| GNR 2011-81 MC - 38376LZB8                    | 11/08/13      | 2,000,000              | 10/20/40      | 3.000%               | 553,286   | 548,829             |
| GNR 2010-134 YA - 38377LT57                   | various       | 9,200,000              | 10/20/40      | 2.500%               | 2,766,808 | 2,796,467           |
| FNR 2010-133 GB - 31398N7B4                   | 07/06/11      | 2,635,000              | 10/25/40      | 2.500%               | 969,061   | 1,064,999           |
| FNR 2010-137 HP - 31398SQY2                   | 05/18/12      | 2,200,000              | 10/25/40      | 3.500%               | 342,855   | 281,325             |
| FNR 2012-30 HA - 3136ASUE4                    | 12/22/15      | 5,134,000              | 12/25/40      | 2.000%               | 2,227,673 | 2,259,509           |
| FHR 3798 PQ - 3137A6AM4                       | 06/16/11      | 2,000,000              | 01/15/41      | 3.500%               | 489,554   | 463,064             |
| FHR 3816 HN - 3137A6R46                       | 03/30/11      | 2,000,000              | 01/15/41      | 4.500%               | 529,283   | 518,071             |
| FNR 2012-129 CL - 3136AADT9                   | 11/30/12      | 3,000,000              | 01/25/41      | 1.750%               | 2,013,184 | 2,004,399           |
| FHR 4019 LM - 3137ANME2                       | 07/03/12      | 2,000,000              | 02/15/41      | 4.000%               | 102,452   | 9,859               |
| GNR 2012-136 PD - 38377X4E9                   | 12/03/12      | 2,000,000              | 02/20/41      | 1.500%               | 1,273,291 | 1,246,030           |
| FNMA REMIC 2011-134 NJ - 3136A2V59            | 06/11/14      | 2,500,000              | 02/25/41      | 3.000%               | 1,215,516 | 1,201,541           |
| FNR 2012-21 PA - 3136A3Y3                     | 04/21/15      | 3,000,000              | 03/25/41      | 2.000%               | 1,571,756 | 1,566,227           |
| FHR 4036 PA - 3137ANQF5                       | 04/30/12      | 2,000,000              | 04/15/41      | 2.750%               | 762,820   | 713,633             |
| FHR 4106 EC - 3137ATW57                       | 09/28/12      | 2,500,000              | 04/15/41      | 1.750%               | 1,570,738 | 1,546,462           |
| FNR 2012-46 CA - 3136A5H66                    | 10/10/14      | 3,792,000              | 04/25/41      | 2.000%               | 1,508,766 | 1,601,346           |
| FHR 4091 TG - 3137ATGB2                       | 09/24/12      | 2,000,000              | 05/15/41      | 1.750%               | 1,230,044 | 1,207,102           |
| FHR 4050 BC - 3137AQJB5                       | 11/05/12      | 3,000,000              | 05/15/41      | 2.000%               | 1,401,336 | 1,354,026           |
| FHR 4019 JD - 3137AN3S2                       | 10/22/15      | 2,000,000              | 05/15/41      | 3.000%               | 919,735   | 923,402             |
| GNR 2015-88 GC - 38379PP27                    | 07/21/15      | 2,000,000              | 05/20/41      | 2.500%               | 1,540,463 | 1,548,745           |
| FNR 2012-2 HA - 3136A3XT3                     | 01/30/12      | 2,000,000              | 05/25/41      | 2.500%               | 422,760   | 405,157             |
| FHR 4104 HA - 3137AUCV9                       | 11/08/12      | 3,443,000              | 07/15/41      | 2.000%               | 2,194,786 | 2,128,001           |
| FNR 2013-56 GM - 3136AEZZ3                    | 04/06/15      | 3,500,000              | 08/25/41      | 2.000%               | 1,267,874 | 1,260,796           |
| FNR 2012-14 PA - 3136A4WN5                    | 08/11/15      | 3,000,000              | 08/25/41      | 2.000%               | 1,484,426 | 1,511,873           |
| FHR 4119 PA - 3137AUVJ5                       | 12/10/12      | 2,000,000              | 09/15/41      | 1.500%               | 1,235,632 | 1,199,820           |
| FHR 4050 ND - 3137AQLG1                       | 02/22/16      | 6,500,000              | 09/15/41      | 2.500%               | 2,833,500 | 2,842,485           |
| FNR 2012-103 MB - 3136A8YZ7                   | 09/04/12      | 2,000,000              | 09/25/41      | 2.000%               | 1,209,304 | 1,167,737           |
| FHLMC REMIC 4026 JL - 3137AP2J8               | 01/16/15      | 3,300,000              | 10/15/41      | 2.250%               | 1,394,942 | 1,423,029           |
| FHR 4107 HA - 3137AUF46                       | 09/28/12      | 2,000,000              | 10/15/41      | 2.000%               | 1,153,092 | 1,128,651           |
| FHR 4209 MA - 3137B1VC3                       | 10/22/15      | 1,675,000              | 10/15/41      | 2.500%               | 790,296   | 792,779             |
| FNMA 2012-16 AL - 3136A4QK8                   | 02/29/12      | 2,332,126              | 11/25/41      | 3.000%               | 2,212,605 | 2,499,783           |
| FNR 2012-66 PC - 3136A6B45                    | 06/11/12      | 2,000,000              | 11/25/41      | 2.000%               | 886,858   | 873,618             |
| FHR 4312 GA - 3137B7PR4                       | 12/11/14      | 4,073,930              | 12/15/41      | 2.500%               | 994,154   | 985,958             |
| GNR 2012-63 UE - 38378EF73                    | 10/30/15      | 5,000,000              | 12/20/41      | 2.000%               | 1,702,781 | 1,716,404           |
| FNR 12-111 EC - 3136A9GM4                     | 03/11/13      | 3,000,000              | 12/25/41      | 2.000%               | 1,907,063 | 1,867,669           |
| FHR 4000 PJ - 3137ALYC7                       | 04/04/16      | 5,700,000              | 01/15/42      | 3.000%               | 1,784,256 | 1,768,411           |
| FHR 4030 BC - 3137APIG6                       | various       | 8,300,000              | 01/15/42      | 2.000%               | 3,193,765 | 3,197,000           |
| GNR 2012-97 CP - 38375GYE5                    | 05/16/13      | 2,100,000              | 01/20/42      | 1.500%               | 1,272,567 | 1,236,537           |
| GNR 2012-59 NE - 38378ESK0                    | 10/18/12      | 2,000,000              | 01/20/42      | 2.500%               | 546,944   | 487,004             |
| GNR 2015-79 A - 38379LP20                     | 08/25/15      | 3,100,000              | 02/20/42      | 2.500%               | 2,505,131 | 2,547,061           |
| FNR 2012-20 TD - 3136A4JR1                    | 05/25/12      | 2,000,000              | 02/25/42      | 4.500%               | 637,382   | 528,745             |
| FHLMC REMIC 4034 PK - 3137ANNS0               | 06/19/14      | 3,000,000              | 03/15/42      | 2.250%               | 856,175   | 916,537             |
| GNMA REMIC 2012-110 KJ - 38375G2Y6            | 03/18/15      | 3,500,000              | 03/20/42      | 3.000%               | 1,532,677 | 1,514,130           |
| FNR 2012-90 DA - 3136A7RE4                    | 05/16/16      | 5,000,000              | 03/25/42      | 1.500%               | 1,705,340 | 1,711,941           |
| FNR 2012-103 PD - 3136A8ZW3                   | 10/15/12      | 2,500,000              | 04/25/42      | 2.000%               | 1,465,595 | 1,411,281           |
| FNR 2013-13 PH - 3136ACH53                    | 07/28/14      | 2,250,000              | 04/25/42      | 2.500%               | 1,476,284 | 1,506,145           |
| FHR 4077 BA - 3137ASAG9                       | 01/17/13      | 3,030,000              | 05/15/42      | 2.000%               | 1,221,819 | 1,146,846           |
| GNR 2013-44 PA - 38378JQU9                    | 08/06/13      | 2,100,000              | 05/16/42      | 2.500%               | 1,330,101 | 1,366,432           |
| FNR 2012-128 QC - 3136A9UY2                   | 04/25/13      | 2,000,000              | 06/25/42      | 1.750%               | 1,237,791 | 1,217,617           |
| FNR 2013-1 PG - 3136ABB28                     | 03/13/13      | 6,000,000              | 06/25/42      | 2.000%               | 3,692,595 | 3,697,642           |
| FNR 2013-37 JA - 3136AC6U0                    | 03/24/15      | 3,000,000              | 06/25/42      | 1.750%               | 1,525,621 | 1,525,833           |
| FHLMC REMIC 4129 CL PA - 3137AVZB6            | 06/23/15      | 4,650,000              | 07/15/42      | 2.500%               | 2,212,725 | 2,225,980           |
| GNR 2012-149 GH - 38378GX78                   | 02/13/13      | 3,000,000              | 07/20/42      | 1.500%               | 1,303,921 | 1,278,053           |
| FNR 2013-2 LC - 3136AB5T6                     | 02/13/13      | 3,000,000              | 08/25/42      | 1.750%               | 2,027,937 | 1,986,253           |
| FHR 4120 DB - 3137AVAK3                       | 11/18/15      | 5,000,000              | 10/15/42      | 1.500%               | 2,765,674 | 2,838,902           |
| FHR 4181 PE - 3137BOLN2                       | 03/28/13      | 3,000,000              | 11/15/42      | 1.750%               | 1,624,388 | 1,557,996           |
| GNR 2013-24 PJ - 38378FR51                    | 11/25/13      | 2,926,000              | 11/20/42      | 3.000%               | 1,708,166 | 1,703,297           |
| GNMA 2012-149 MD - 38378GL97                  | 06/15/15      | 3,690,000              | 12/20/42      | 2.000%               | 1,649,743 | 1,665,013           |
| FNR 2013-18 NA - 3136ACYK1                    | 02/28/13      | 3,000,000              | 12/25/42      | 2.000%               | 1,708,082 | 1,672,944           |
| FHR 4158 LD - 3137AXUZ4                       | 05/16/13      | 2,000,000              | 01/15/43      | 2.000%               | 1,010,965 | 1,002,451           |

Table 13

## City of Columbia, Missouri

SCHEDULE OF MARKETABLE SECURITIES AND INVESTMENTS  
SEPTEMBER 30, 2016

| Identification Number and Issuing Institution | Purchase Date | Face Amount, or Shares | Maturity Date | Coupon Interest Rate | Cost           | Fair Value 09/30/16 |
|---|---------------|------------------------|---------------|----------------------|----------------|---------------------|
| FHR 4219 AE - 3137B2LG3                       | 07/01/13      | 2,000,000              | 01/15/43      | 2.250%               | 1,343,470      | 1,387,060           |
| FNR 12-146 QA - 3136ABFP3                     | 01/17/13      | 2,774,304              | 01/25/43      | 1.000%               | 676,796        | 646,517             |
| FNR 2014-46 PG - 3136AKUZ4                    | 09/03/14      | 2,000,000              | 01/25/43      | 3.000%               | 805,296        | 760,456             |
| GNR 2013-27 KA - 38378FZQ6                    | 04/26/16      | 5,000,000              | 02/20/43      | 2.250%               | 1,399,576      | 1,398,685           |
| GNR 2013-77 GD - 38378PAF5                    | 07/29/15      | 2,600,000              | 02/20/43      | 1.500%               | 1,598,553      | 1,642,973           |
| FNR 2013-23 AB - 3136ADAB5                    | 12/30/15      | 4,000,000              | 02/25/43      | 2.000%               | 1,819,088      | 1,860,960           |
| FNR 2013-23 AG - 3136ADCM9                    | 05/03/16      | 5,000,000              | 02/25/43      | 1.750%               | 2,302,681      | 2,309,922           |
| FHR 4402 PB - 3137BEMD3                       | 04/10/15      | 2,000,000              | 03/15/43      | 2.000%               | 1,382,649      | 1,384,461           |
| FNR 2013-29 KE - 3136ADKY4                    | 08/15/13      | 3,000,000              | 04/25/43      | 1.250%               | 827,138        | 910,756             |
| FNR 2014-33 PE - 3136AKAW3                    | 12/31/14      | 1,100,000              | 04/25/43      | 3.000%               | 732,898        | 723,648             |
| FNR 2013-42 KP - 3136AEBP1                    | 09/22/15      | 4,300,000              | 05/25/43      | 1.500%               | 1,434,398      | 1,449,588           |
| FNR 2013-130 CD - 3136AHL24                   | 10/15/14      | 2,250,000              | 06/25/43      | 3.000%               | 1,466,846      | 1,447,052           |
| FHR 4314 LE - 3137B9G33                       | 01/08/16      | 1,700,000              | 07/15/43      | 3.000%               | 1,050,338      | 1,056,625           |
| FHR 4314 PE - 3137B9GR0                       | 01/08/16      | 1,800,000              | 07/15/43      | 3.000%               | 1,198,637      | 1,210,673           |
| FNR 2014-68 GM - 3136ALTE1                    | 12/03/15      | 2,500,000              | 10/25/43      | 3.000%               | 1,946,220      | 1,944,179           |
| FHR 4468 GP - 3137BJKL6                       | 08/24/15      | 2,050,000              | 11/15/43      | 3.000%               | 1,856,842      | 1,842,857           |
| FHR 4347 PA - 3137BBTB6                       | 05/10/16      | 1,912,000              | 03/15/44      | 3.500%               | 1,314,584      | 1,305,372           |
| FHR 4474 JA - 3137BJFJ7                       | 06/23/15      | 2,000,000              | 06/15/44      | 3.000%               | 1,823,161      | 1,828,206           |
| FHR 4434 QD - 3137BGES4                       | 02/22/16      | 2,250,000              | 06/15/44      | 2.000%               | 1,923,231      | 1,924,538           |
| FHR 4464 MA - 3137BHNM5                       | 11/12/15      | 2,650,000              | 08/15/44      | 3.000%               | 2,418,248      | 2,399,203           |
| FHR 4389 CA - 3137BDNG7                       | 12/10/15      | 3,000,000              | 09/15/44      | 3.000%               | 1,808,334      | 1,800,390           |
| FHR 4425 HA - 3137BGAN6                       | 07/16/15      | 3,000,000              | 01/15/45      | 2.000%               | 2,122,350      | 2,180,710           |
| FNR 2015-62 M - 3136APZD7                     | 12/18/15      | 2,600,000              | 03/25/45      | 2.500%               | 2,279,658      | 2,312,592           |
| FHR 4572 ND - 3137BNY32                       | 05/02/16      | 2,000,000              | 04/15/46      | 2.000%               | 1,940,430      | 1,936,837           |
| Total U. S. Government and Agency Securities  |               |                        |               |                      | \$ 215,904,537 | \$ 211,607,692      |
| Miscellaneous Securities                      |               |                        |               |                      |                |                     |
| UBS Select Treasury                           | various       | 82,852,666             | -             | -                    | \$ 82,852,666  | \$ 82,852,666       |
| Total Pooled Cash Marketable Securities       |               |                        |               |                      | \$ 298,757,203 | \$ 294,460,358      |
| SELF-INSURANCE RESERVE:                       |               |                        |               |                      |                |                     |
| US Treasury Note 912828H78                    | 05/25/16      | 1,300,000              | 01/31/17      | 0.500%               | \$ 1,300,000   | \$ 1,300,767        |
| Total U. S. Government and Agency Securities  |               |                        |               |                      | \$ 1,300,000   | \$ 1,300,767        |
| Total Self-Insurance Reserve                  |               |                        |               |                      | \$ 1,300,000   | \$ 1,300,767        |
| POST-EMPLOYMENT HEALTH FUND:                  |               |                        |               |                      |                |                     |
| Stocks and Mutual Funds:                      |               |                        |               |                      |                |                     |
| AmFds Euro Pacfc                              | various       | 5,607                  | —             | —                    | \$ 204,247     | \$ 261,687          |
| BkRkEq Divd Inv                               | various       | 20,045                 | —             | —                    | 389,755        | 444,393             |
| FidAdv New Insights A                         | various       | 17,859                 | —             | —                    | 390,828        | 492,190             |
| Gdmnscs Strat Inc A                           | various       | 11,151                 | —             | —                    | 116,083        | 106,609             |
| JPM EmrgMrk Eq A                              | various       | 4,601                  | —             | —                    | 97,086         | 101,077             |
| JPM SmCap Eq A                                | various       | 3,948                  | —             | —                    | 140,899        | 173,264             |
| Loomis Bd Admn                                | various       | 16,869                 | —             | —                    | 240,096        | 234,821             |
| LrdAbtGr Oppr A                               | various       | 8,151                  | —             | —                    | 155,337        | 154,955             |
| Okmrk Intl II                                 | various       | 12,725                 | —             | —                    | 230,556        | 276,649             |
| Prudntl Ttl Rtn Bd A                          | various       | 29,948                 | —             | —                    | 434,464        | 443,826             |
| Total Mutual Funds                            |               |                        |               |                      | \$ 2,399,351   | \$ 2,689,471        |
| Total Post Employment Health Fund             |               |                        |               |                      | \$ 2,399,351   | \$ 2,689,471        |

Table 13

## City of Columbia, Missouri

SCHEDULE OF MARKETABLE SECURITIES AND INVESTMENTS  
SEPTEMBER 30, 2016

| Identification Number and Issuing Institution | Purchase Date | Face Amount, or Shares | Maturity Date | Coupon Interest Rate | Cost    | Fair Value 09/30/16 |
|---|---------------|------------------------|---------------|----------------------|---------|---------------------|
| POLICE AND FIREFIGHTERS' RETIREMENT FUND:     |               |                        |               |                      |         |                     |
| Corporate Bonds:                              |               |                        |               |                      |         |                     |
| CNH Cptl LLC - 12623EAB7                      | various       | 120,000                | 11/01/16      | 6.250%               | 131,700 | 120,360             |
| Sabine Pass Lng - 785583AF2                   | various       | 125,000                | 11/30/16      | 7.500%               | 138,845 | 125,937             |
| Greif Inc - 397624AE7                         | various       | 115,000                | 02/01/17      | 6.750%               | 121,774 | 116,437             |
| Intl Lease Fin Corp - 459745GG4               | various       | 120,000                | 03/15/17      | 8.750%               | 140,156 | 123,450             |
| Centurytel Inc - 156700AL0                    | various       | 125,000                | 04/01/17      | 6.000%               | 138,090 | 127,500             |
| Aircastle Ltd - 00928QAF8                     | various       | 120,000                | 04/15/17      | 6.750%               | 134,661 | 122,400             |
| Morgan Stanley Mtn - 617446H51                | 06/03/13      | 75,000                 | 04/27/17      | 5.550%               | 84,160  | 76,731              |
| CIT Group - 125581GM4                         | various       | 120,000                | 05/15/17      | 5.000%               | 128,756 | 122,250             |
| Toyota Motor Credit - 89233P6D3               | various       | 775,000                | 05/22/17      | 1.750%               | 783,592 | 778,813             |
| Centene Corp - 15135BAC5                      | various       | 110,000                | 06/01/17      | 5.750%               | 116,669 | 112,475             |
| Commercial Metals - 201723AH6                 | various       | 123,000                | 07/15/17      | 6.500%               | 137,460 | 127,305             |
| Gulf South Pipeline - 402524AC6               | various       | 50,000                 | 08/15/17      | 6.300%               | 53,854  | 51,708              |
| Watson Pharmaceutical - 942683AG8             | 05/24/13      | 95,000                 | 10/01/17      | 1.875%               | 94,877  | 95,328              |
| Whirlpool Corp NTS B/E - 963320AS5            | 03/09/16      | 775,000                | 11/01/17      | 1.650%               | 774,589 | 777,185             |
| DCP Midstream Op-2311VAC1                     | 03/09/16      | 110,000                | 12/01/17      | 2.500%               | 107,387 | 109,450             |
| Walt Disney Company - 25458PCV6               | various       | 775,000                | 12/01/17      | 1.100%               | 774,808 | 775,535             |
| Ecolab Inc - 278865AP5                        | 12/14/12      | 80,000                 | 12/08/17      | 1.450%               | 80,046  | 80,152              |
| Intel Corp Nts - 458140AL4                    | various       | 775,000                | 12/15/17      | 1.350%               | 778,363 | 777,418             |
| NRG Energy - 629377BN1                        | various       | 110,000                | 01/15/18      | 7.625%               | 120,875 | 117,150             |
| Buckeye Partners - 118230AG6                  | 04/13/16      | 75,000                 | 01/15/18      | 6.050%               | 79,106  | 78,749              |
| Bear Stearns - 073902RU4                      | 11/14/12      | 70,000                 | 02/01/18      | 7.250%               | 87,069  | 75,173              |
| Medtronic Inc - 585055BQ8                     | 01/26/16      | 775,000                | 03/15/18      | 1.500%               | 776,659 | 778,495             |
| Health Care Reit Inc - 42217KAZ9              | 12/06/12      | 65,000                 | 03/15/18      | 2.250%               | 64,884  | 65,571              |
| Bank of Amer Nts - 06050TLY6                  | 03/26/15      | 170,000                | 03/26/18      | 1.650%               | 170,138 | 170,705             |
| Telefonica Emisiones - 87938WAQ6              | 07/09/15      | 200,000                | 04/27/18      | 3.192%               | 206,164 | 204,720             |
| Harsco Corp - 415864AJ6                       | various       | 110,000                | 05/15/18      | 5.750%               | 113,971 | 111,540             |
| Comcast Corp - 20030NAW1                      | various       | 700,000                | 05/15/18      | 5.700%               | 766,674 | 749,973             |
| Cisco Systems Inc - 17275RAU6                 | various       | 565,000                | 06/15/18      | 1.650%               | 571,896 | 569,639             |
| GFI Group - 361652AA8                         | 10/20/15      | 115,000                | 07/19/18      | 8.375%               | 125,431 | 124,200             |
| CHS/Comty Health - 12543DAR1                  | various       | 90,000                 | 08/15/18      | 5.125%               | 92,066  | 90,900              |
| Northern Trst Co Nts - 66586GCD7              | various       | 510,000                | 08/15/18      | 6.500%               | 572,001 | 557,506             |
| T-Mobile - 87264AAB1                          | various       | 110,000                | 09/01/18      | 5.250%               | 114,237 | 111,512             |
| Genl Motors Finl - 37045VAD2                  | various       | 60,000                 | 10/02/18      | 3.500%               | 60,149  | 61,851              |
| Tenet Healthcare Corp - 88033GBP4             | various       | 110,000                | 11/01/18      | 6.250%               | 120,300 | 117,425             |
| Pepsico Inc - 713448BJ6                       | 06/07/16      | 250,000                | 11/01/18      | 7.900%               | 289,032 | 283,557             |
| Stanley Black & Decker - 854502AB7            | 03/09/16      | 775,000                | 11/17/18      | 4.250%               | 783,827 | 791,810             |
| Ares Capital Corp - 04010LAN3                 | 01/15/15      | 45,000                 | 11/30/18      | 4.875%               | 47,731  | 46,974              |
| IAC Interactivecorp - 44919PAF9               | various       | 72,000                 | 11/30/18      | 4.875%               | 73,921  | 73,710              |
| Citigroup Inc - 172967KE0                     | 05/10/16      | 40,000                 | 12/07/18      | 2.050%               | 40,311  | 40,303              |
| BNP Paribas - 05574LTX6                       | various       | 180,000                | 12/12/18      | 2.400%               | 181,673 | 182,740             |
| Black Hills Corp - 092113AK5                  | 01/13/16      | 50,000                 | 01/11/19      | 2.500%               | 49,938  | 50,747              |
| Walmart - 931142CP6                           | various       | 600,000                | 02/01/19      | 4.125%               | 599,394 | 640,944             |
| ARC Pptys - 03879QAD6                         | various       | 120,000                | 02/06/19      | 3.000%               | 116,212 | 121,634             |
| Unilever Cptl Corp NTS - 904764AK3            | various       | 510,000                | 02/15/19      | 4.800%               | 557,380 | 552,034             |
| HCA Inc NTS B/E - 404119BM0                   | various       | 110,000                | 03/15/19      | 3.750%               | 112,359 | 113,712             |
| Lyondellbasell - 552081AG6                    | 06/21/13      | 25,000                 | 04/15/19      | 5.000%               | 27,682  | 26,832              |
| Chevron Corp NTS - 166764BH2                  | 05/16/19      | 60,000                 | 05/16/19      | 1.561%               | 60,056  | 60,317              |
| Amgen Inc - 031162BU3                         | various       | 75,000                 | 05/22/19      | 2.200%               | 74,987  | 76,393              |
| Bank of Amer Corp Nts - 06051GDZ9             | 10/08/13      | 40,000                 | 06/01/19      | 7.625%               | 49,318  | 45,904              |
| Home Depot Inc NTS - 737076BE1                | 06/06/16      | 555,000                | 06/15/19      | 2.000%               | 567,032 | 567,598             |
| Teekay Offshore Partners - 87901BAA0          | various       | 80,000                 | 07/30/19      | 6.000%               | 76,375  | 66,000              |
| American Honda Fin Nts - 02665WAH4            | 08/08/16      | 550,000                | 08/15/19      | 2.250%               | 566,269 | 563,645             |
| Gannett Co Inc - 364725BD2                    | 12/23/15      | 110,000                | 10/15/19      | 5.125%               | 113,850 | 112,888             |
| Lennar Corp - 526057BU7                       | various       | 110,000                | 11/15/19      | 4.500%               | 114,637 | 115,912             |
| Targa Res Partners - 87612BAR3                | various       | 110,000                | 11/15/19      | 4.125%               | 110,681 | 111,540             |
| Alibaba Group - 01609WAC6                     | 09/23/16      | 50,000                 | 11/28/19      | 2.500%               | 50,967  | 51,003              |
| Costco Whsl Corp - 22160KAF2                  | 08/05/16      | 310,000                | 12/15/19      | 1.700%               | 316,073 | 313,770             |
| Airlease Corp - 00912XAU8                     | 09/28/16      | 15,000                 | 01/15/20      | 2.125%               | 14,971  | 14,971              |
| JP Morgan Chase - 46625HKA7                   | 02/05/15      | 240,000                | 01/23/20      | 2.250%               | 240,730 | 243,154             |
| PBF Hldg Co - 69318FAB4                       | various       | 125,000                | 02/15/20      | 8.250%               | 132,651 | 128,938             |
| Equinix Inc - 29444UAL0                       | various       | 110,000                | 04/01/20      | 4.875%               | 113,308 | 113,987             |
| Frontier Comm Corp - 35906AAH1                | various       | 110,000                | 04/15/20      | 8.500%               | 115,675 | 118,937             |
| Dish DBS Corp - 25470XAQ8                     | various       | 110,000                | 05/01/20      | 5.125%               | 111,844 | 114,125             |
| Newstar Finl - 65251FAB1                      | 11/13/15      | 115,000                | 05/01/20      | 7.250%               | 113,861 | 113,275             |
| AES Corp Nts - 00130HBN4                      | various       | 105,000                | 06/01/20      | 8.000%               | 122,253 | 123,637             |
| ICAHN Enterprises - 451102AX5                 | 08/30/16      | 120,000                | 08/01/20      | 6.000%               | 117,900 | 120,600             |
| Sunoco LP - 86765LAC1                         | 09/20/16      | 35,000                 | 08/01/20      | 5.500%               | 35,150  | 35,525              |
| ArcelorMittal - 03938LAQ7                     | 05/13/16      | 45,000                 | 08/05/20      | 5.750%               | 45,548  | 48,937              |
| Kinder Morgan Energy B/E - 494550BE5          | various       | 45,000                 | 09/15/20      | 5.300%               | 44,419  | 48,552              |
| Stifel Financial - 860630AE2                  | 12/01/15      | 45,000                 | 12/01/20      | 3.500%               | 44,826  | 45,967              |
| Stifel Fin Corp - 860630AE2                   | various       | 25,000                 | 12/01/20      | 3.500%               | 24,959  | 25,537              |
| First Horizon Natl - 320517AB1                | 10/26/15      | 65,000                 | 12/15/20      | 3.500%               | 64,843  | 66,342              |
| Bank of Amer Corp - 06051GEE5                 | 02/04/15      | 30,000                 | 01/05/21      | 5.875%               | 35,288  | 34,406              |
| Santander UK Group - 80281LAD7                | 01/08/16      | 45,000                 | 01/08/21      | 3.125%               | 44,994  | 45,726              |
| Nustar Logistics - 67059TAD7                  | 04/28/16      | 15,000                 | 02/01/21      | 6.750%               | 14,850  | 16,162              |
| Petroleos Mexicanos - 71656LBJ9               | 02/04/16      | 40,000                 | 02/04/21      | 6.375%               | 40,000  | 43,604              |
| AT&T Inc - 00206RCZ3                          | 03/23/16      | 65,000                 | 02/15/21      | 4.600%               | 70,923  | 71,308              |
| ArcelorMittal - 03938LAU8                     | 07/13/16      | 65,000                 | 03/01/21      | 6.250%               | 67,949  | 72,312              |
| Air Canada NTS - 008911AZ2                    | 05/11/16      | 25,000                 | 04/15/21      | 7.750%               | 26,302  | 27,000              |
| GLP CAP L P / GLP Fing - 361841AG4            | 04/28/16      | 110,000                | 04/15/21      | 4.375%               | 112,403 | 115,775             |
| Terex Corp - 880779AY9                        | various       | 105,000                | 05/15/21      | 6.000%               | 107,949 | 107,362             |
| Clean Harbors Inc - 184496AL1                 | 03/17/16      | 15,000                 | 06/01/21      | 5.125%               | 15,037  | 15,375              |
| Scottrade Finance - 81014AA9                  | various       | 55,000                 | 07/11/21      | 6.125%               | 59,637  | 59,118              |
| Wells Fargo & Co - 949746SA0                  | 07/25/16      | 95,000                 | 07/26/21      | 2.100%               | 95,067  | 94,674              |
| JP Morgan Chase - 46623EKG3                   | 08/08/16      | 85,000                 | 08/15/21      | 2.295%               | 85,000  | 85,185              |
| Mattel Inc - 577081BA9                        | 08/10/16      | 60,000                 | 08/15/21      | 2.350%               | 60,055  | 60,827              |
| Nvidia Corp Nts - 67066GAD6                   | 09/16/16      | 105,000                | 09/16/21      | 2.200%               | 104,792 | 105,320             |
| Huntington Banchares - 446150AK0              | 08/09/16      | 75,000                 | 01/14/22      | 2.300%               | 74,887  | 74,723              |
| Crown Castle - 22822RBB5                      | various       | 50,000                 | 05/15/22      | 3.222%               | 50,070  | 51,476              |
| Motorola Inc - 620076BB4                      | 03/11/15      | 115,000                | 05/15/22      | 3.750%               | 115,722 | 117,947             |
| Universal Health Svcs - 913903AR1             | various       | 50,000                 | 08/01/22      | 4.750%               | 51,731  | 51,625              |
| Intl Lease Fin Corp - 459745GN9               | 08/09/16      | 50,000                 | 08/15/22      | 5.875%               | 56,875  | 55,437              |
| Hertz Corp Nts - 428040CN7                    | 09/28/15      | 14,000                 | 10/15/22      | 6.250%               | 14,367  | 14,420              |
| Celanese US Holdings - 15089QAD6              | various       | 45,000                 | 11/15/22      | 4.625%               | 48,894  | 49,325              |
| E*Trade Finl Corp - 269246BL7                 | 03/24/16      | 50,000                 | 11/15/22      | 5.375%               | 53,062  | 53,298              |
| MPLX LP NTS - 55336VAC4                       | various       | 55,000                 | 02/15/23      | 5.500%               | 54,413  | 56,820              |
| MGM Resorts - 552953CC3                       | various       | 21,000                 | 03/15/23      | 6.000%               | 21,479  | 22,785              |
| Lender Processing - 52602EAD4                 | 01/15/15      | 13,000                 | 04/15/23      | 5.750%               | 13,781  | 13,682              |

Table 13

## City of Columbia, Missouri

SCHEDULE OF MARKETABLE SECURITIES AND INVESTMENTS  
SEPTEMBER 30, 2016

| Identification Number and Issuing Institution | Purchase Date | Face Amount, or Shares | Maturity Date | Compon Interest Rate | Cost    | Fair Value 09/30/16 |
|---|---------------|------------------------|---------------|----------------------|---------|---------------------|
| Regency Energy - 75886AAG3                    | various       | 55,000                 | 04/15/23      | 5.500%               | 56,100  | 56,781              |
| Genl Motors Finl - 37045XBK1                  | 05/09/16      | 50,000                 | 05/09/23      | 3.700%               | 49,872  | 50,853              |
| Diamond 1/Diamond 2 - 25272KAG8               | 06/01/16      | 50,000                 | 06/15/23      | 5.450%               | 49,979  | 53,573              |
| LAM Research Corp - 512807AQ1                 | 06/07/16      | 60,000                 | 06/15/23      | 3.450%               | 60,608  | 61,372              |
| Walgreens Boots Alliance - 931427AP3          | 06/07/16      | 110,000                | 06/15/23      | 3.100%               | 110,912 | 113,460             |
| Express Scripts - 30219GAQ1                   | 07/11/16      | 25,000                 | 07/15/23      | 3.000%               | 25,282  | 25,392              |
| Microsoft Corp - 594918BQ6                    | 08/08/16      | 75,000                 | 08/08/23      | 2.000%               | 74,776  | 74,900              |
| Kinder Morgan - 494550BQ8                     | various       | 65,000                 | 09/01/23      | 3.500%               | 59,526  | 65,101              |
| Sprint Corp - 85207UAF2                       | 01/15/15      | 10,000                 | 09/15/23      | 7.875%               | 10,050  | 10,063              |
| Oracle Corp - 68389XBL8                       | 07/08/16      | 25,000                 | 09/15/23      | 2.400%               | 25,348  | 25,201              |
| Shire Acquisitions - 82481LAC3                | 09/23/16      | 60,000                 | 09/23/23      | 2.875%               | 59,992  | 60,290              |
| Kinder Morgan - 49456BAB7                     | 02/04/15      | 50,000                 | 11/15/23      | 5.625%               | 55,109  | 55,127              |
| CCO Holdings - 1248EPBE2                      | 01/15/15      | 50,000                 | 01/15/24      | 5.750%               | 50,450  | 53,125              |
| Comcast Corp - 20030NB9                       | various       | 115,000                | 03/01/24      | 3.600%               | 116,821 | 125,794             |
| HCA - 404119BN8                               | 04/28/16      | 25,000                 | 03/15/24      | 5.000%               | 25,975  | 26,375              |
| Interpub Group of Cos - 460690BL3             | 02/19/16      | 50,000                 | 04/15/24      | 4.200%               | 49,728  | 53,695              |
| Tesoro Logistics - 88160QAM5                  | 05/12/16      | 15,000                 | 05/04/24      | 6.375%               | 15,088  | 16,088              |
| Enable Midstream Partner - 292480AH3          | 05/27/16      | 30,000                 | 05/15/24      | 3.900%               | 25,388  | 27,976              |
| Davita Healthcare - 23918KAQ1                 | 01/15/15      | 30,000                 | 07/15/24      | 5.125%               | 30,600  | 30,600              |
| Sirius XM Holdings Inc - 82967NAS7            | 05/03/16      | 25,000                 | 07/15/24      | 6.000%               | 26,500  | 26,656              |
| Sinclair Television - 829259AR1               | 04/28/16      | 13,000                 | 08/01/24      | 5.625%               | 13,423  | 13,293              |
| Graphic Packaging - 38869PAM6                 | various       | 15,000                 | 08/15/24      | 4.125%               | 15,131  | 15,113              |
| Bank of Amer Corp - 06051GFH7                 | 01/23/15      | 45,000                 | 08/26/24      | 4.200%               | 46,327  | 47,652              |
| Antero Midstream - 03690AAA4                  | 09/13/16      | 15,000                 | 09/15/24      | 5.375%               | 15,000  | 15,188              |
| Tallgrass Energy Ptnr - 87470LAA9             | 09/01/16      | 25,000                 | 09/15/24      | 5.500%               | 25,000  | 25,188              |
| Ally Financial Inc - 02005NAV2                | 01/15/15      | 24,000                 | 09/30/24      | 5.125%               | 24,564  | 25,440              |
| Trinity Industries - 896522AH2                | 10/22/15      | 50,000                 | 10/01/24      | 4.550%               | 47,773  | 49,724              |
| Dish DBS Corp - 25470XAW5                     | various       | 18,000                 | 11/15/24      | 5.875%               | 17,719  | 17,775              |
| United Rentals North - 911365BB9              | 01/15/15      | 23,000                 | 11/15/24      | 5.750%               | 23,457  | 23,863              |
| Brixmor Operating Part - 11120VAA1            | various       | 45,000                 | 02/01/25      | 3.850%               | 43,827  | 45,760              |
| HCA Inc - 404119BR9                           | various       | 31,000                 | 02/01/25      | 5.375%               | 31,225  | 32,008              |
| Lazard Group LLC - 52107QAG0                  | 11/16/15      | 25,000                 | 02/13/25      | 3.750%               | 23,266  | 25,167              |
| T-Mobile USA - 87264AAN5                      | various       | 38,000                 | 03/01/25      | 6.375%               | 38,595  | 41,325              |
| Albertsons Cos LLC - 013093AC3                | 08/10/16      | 20,000                 | 03/15/25      | 5.750%               | 20,325  | 19,950              |
| Medtronic - 585055BS4                         | 02/10/16      | 25,000                 | 03/15/25      | 3.500%               | 25,813  | 26,922              |
| Hospitality Prop - 44106MAT9                  | various       | 90,000                 | 03/15/25      | 4.500%               | 93,156  | 91,811              |
| HCA Inc - 404119BQ1                           | 02/02/16      | 10,000                 | 04/15/25      | 5.250%               | 10,275  | 10,663              |
| Glencore Fndg - 378272AL2                     | 04/08/15      | 25,000                 | 04/16/25      | 4.000%               | 24,783  | 24,442              |
| Southern Copper Corp - 84265VAH8              | 04/21/15      | 65,000                 | 04/23/25      | 3.875%               | 64,973  | 65,260              |
| Citigroup Inc - 172967JP7                     | 05/11/15      | 40,000                 | 04/27/25      | 3.300%               | 39,071  | 41,145              |
| Columbia Pipeline Group - 198280AF6           | various       | 80,000                 | 06/01/25      | 4.500%               | 86,831  | 86,893              |
| Energizer Spincor Inc - 29273AAA4             | 04/27/16      | 20,000                 | 06/15/25      | 5.500%               | 20,150  | 20,600              |
| Monsanto Co New - 61166WAE1                   | 06/08/16      | 75,000                 | 08/15/25      | 5.500%               | 86,731  | 87,982              |
| Biogen Inc Nts - 09062XAF0                    | 09/15/15      | 85,000                 | 09/15/25      | 4.050%               | 85,677  | 92,544              |
| Aviation Cptl - 05367AAH6                     | 08/17/16      | 65,000                 | 10/01/25      | 4.875%               | 69,300  | 70,525              |
| Ally Financial Inc - 02005NBF6                | 11/20/15      | 9,000                  | 11/20/25      | 5.750%               | 8,916   | 9,416               |
| Morgan Stanley - 6174467X1                    | 01/15/15      | 25,000                 | 11/24/25      | 5.000%               | 27,096  | 27,893              |
| Hawaiian Airlines - 419838AA5                 | 01/15/15      | 50,000                 | 01/15/26      | 3.900%               | 43,182  | 43,797              |
| Expedia - 30212PAL9                           | 12/08/15      | 25,000                 | 02/15/26      | 5.000%               | 24,884  | 26,313              |
| Goldman Sachs Group Inc - 38143U8H7           | 05/10/16      | 60,000                 | 02/25/26      | 3.750%               | 62,254  | 63,002              |
| CBRE Services - 12505BAD2                     | 08/06/15      | 50,000                 | 03/01/26      | 4.875%               | 49,620  | 52,123              |
| Citigroup Inc - 172967KJ9                     | 04/12/16      | 85,000                 | 03/09/26      | 4.600%               | 87,646  | 90,777              |
| HollyFrontier Corp - 436106AA6                | 03/22/16      | 30,000                 | 04/01/26      | 5.875%               | 29,812  | 32,498              |
| Loews Corp - 540424AS7                        | various       | 80,000                 | 04/01/26      | 3.750%               | 83,946  | 84,974              |
| American Intl Group - 026874DH7               | 03/22/16      | 85,000                 | 04/01/26      | 3.900%               | 85,511  | 89,925              |
| Hanover Ins Group - 410867AF2                 | 04/08/16      | 50,000                 | 04/15/26      | 4.500%               | 49,884  | 51,965              |
| Amcor Fin USA Inc - 02343UAA3                 | 04/28/16      | 35,000                 | 04/28/26      | 3.625%               | 34,991  | 36,136              |
| Avalonbay Communities - 05348EAX7             | 05/16/16      | 45,000                 | 05/11/26      | 2.950%               | 45,324  | 44,967              |
| Hanesbrands Inc - 410345AL6                   | 05/03/16      | 14,000                 | 05/15/26      | 4.875%               | 14,070  | 14,315              |
| Goodyear Tire & Rubber - 382550BF7            | 05/13/16      | 10,000                 | 05/31/26      | 5.000%               | 10,000  | 10,288              |
| Aramark Services Inc - 038522AM0              | various       | 20,000                 | 06/01/26      | 4.750%               | 20,000  | 20,100              |
| Priceline Group Inc - 741503AZ9               | 06/03/16      | 45,000                 | 06/01/26      | 3.600%               | 45,236  | 47,182              |
| Broadridge Finl Soln - 11133TAC7              | 06/27/16      | 40,000                 | 06/15/26      | 3.400%               | 39,836  | 41,028              |
| Voya Finl Inc - 929089AB6                     | 06/13/16      | 50,000                 | 06/15/26      | 3.650%               | 50,071  | 49,776              |
| Under Armour - 904311AA5                      | 06/14/16      | 100,000                | 06/15/26      | 3.250%               | 100,146 | 100,675             |
| Sovran Acquisition - 84610WAB1                | 06/20/16      | 30,000                 | 07/01/26      | 3.500%               | 29,834  | 30,616              |
| Western Gas Partners - 958254AF1              | 07/12/16      | 31,000                 | 07/01/26      | 4.650%               | 30,937  | 32,082              |
| Enlink Midstream - 29336UAF4                  | 07/11/16      | 25,000                 | 07/15/26      | 4.850%               | 24,965  | 25,157              |
| Morgan Stanley - 61761J3R8                    | 07/27/16      | 45,000                 | 07/27/26      | 3.125%               | 45,096  | 45,269              |
| Caterpillar Financial - 14912L6T3             | 08/09/16      | 65,000                 | 08/09/26      | 2.400%               | 64,994  | 64,526              |
| Columbia Ppty Trust - 198281AB4               | 08/12/16      | 50,000                 | 08/15/26      | 3.650%               | 49,813  | 50,295              |
| Bunge Ltd Fin - 120568AX8                     | 08/17/16      | 85,000                 | 08/15/26      | 3.250%               | 85,667  | 85,526              |
| Fidelity Natl - 31620MAT3                     | 08/16/16      | 20,000                 | 08/15/26      | 3.000%               | 19,778  | 19,804              |
| Amgen Inc - 031162CJ7                         | 08/19/16      | 40,000                 | 08/19/26      | 2.600%               | 39,976  | 39,231              |
| Valero Energy Corp - 91913YAU4                | 09/12/16      | 50,000                 | 09/15/26      | 3.400%               | 49,828  | 49,667              |
| Valero Energy Corp - 91913YAU4                | 09/12/16      | 35,000                 | 09/15/26      | 3.400%               | 34,879  | 34,767              |
| Thermo Fisher Scientific - 883556BR2          | 09/19/16      | 30,000                 | 09/19/26      | 2.950%               | 29,636  | 29,773              |
| Crown Amers LLC - 22819KAA8                   | 09/15/16      | 15,000                 | 09/30/26      | 4.250%               | 15,075  | 15,019              |
| CCL Industries Inc - 124900AB7                | 09/20/16      | 55,000                 | 10/01/26      | 3.250%               | 54,729  | 55,205              |
| Flowers Foods - 343498AB7                     | 09/28/16      | 45,000                 | 10/01/26      | 3.500%               | 44,866  | 44,902              |
| Ingredion Inc - 457187AB8                     | 09/22/16      | 75,000                 | 10/01/26      | 3.200%               | 74,968  | 76,497              |
| Kite Realty Group - 49803XAA1                 | 09/26/16      | 45,000                 | 10/01/26      | 4.000%               | 44,820  | 45,359              |
| Teva Pharmaceutical - 88167AAE1               | 07/18/16      | 20,000                 | 10/01/26      | 3.150%               | 19,947  | 20,093              |
| Boston Properties - 10112RAY0                 | 08/17/16      | 60,000                 | 10/01/26      | 2.750%               | 59,642  | 59,103              |
| Citigroup Inc - 172967JC6                     | 01/15/15      | 50,000                 | 11/20/26      | 4.300%               | 50,886  | 52,439              |
| Morgan Stanley - 61761JJZ2                    | 08/01/16      | 45,000                 | 04/23/27      | 3.950%               | 46,192  | 46,739              |
| Wells Fargo & Co - 94974BGL8                  | 07/16/15      | 70,000                 | 07/22/27      | 4.300%               | 69,948  | 75,442              |
| Citigroup Inc - 172967KA8                     | 08/22/16      | 80,000                 | 09/29/27      | 4.450%               | 84,086  | 83,718              |
| JP Morgan Chase - 46625HNJ5                   | 07/19/16      | 50,000                 | 10/01/27      | 4.250%               | 53,621  | 53,647              |
| Latan Airlines - 51817TAA0                    | 05/14/15      | 60,000                 | 11/15/27      | 4.200%               | 56,774  | 56,296              |
| Kilroy Realty - 49427RAK8                     | 01/15/15      | 55,000                 | 08/15/29      | 4.250%               | 57,733  | 57,987              |
| Toronto Dominion Bank - 891160MI9             | 09/15/16      | 80,000                 | 09/15/31      | 3.625%               | 79,837  | 80,221              |
| Toronto Dominion Bank - 891160MI9             | 09/15/16      | 85,000                 | 09/15/31      | 3.625%               | 85,152  | 85,235              |
| Genl Elec Cap Corp - 36962GXZ2                | 12/04/15      | 65,000                 | 03/15/32      | 6.750%               | 86,028  | 91,348              |
| Comcast Corp New B/E - 20030NBH3              | 12/23/15      | 20,000                 | 01/15/33      | 4.250%               | 20,228  | 22,214              |
| AT&T Inc - 00206RCP5                          | 05/04/15      | 90,000                 | 05/15/35      | 4.500%               | 82,872  | 94,562              |
| Owens Corning New - 690742AB7                 | 04/05/16      | 50,000                 | 12/01/36      | 7.000%               | 55,903  | 63,119              |
| Time Warner Cable - 88732JAJ7                 | various       | 45,000                 | 05/01/37      | 6.550%               | 57,407  | 53,353              |
| Pacificorp - 695114CN6                        | various       | 65,000                 | 02/01/42      | 4.100%               | 65,251  | 71,254              |
| Verizon Communications - 92343VBTO            | 10/08/14      | 56,000                 | 09/15/43      | 6.550%               | 69,370  | 75,717              |
| Phillips 66 - 718546AL8                       | 07/18/16      | 80,000                 | 11/15/44      | 4.875%               | 91,301  | 88,871              |

Table 13

## City of Columbia, Missouri

SCHEDULE OF MARKETABLE SECURITIES AND INVESTMENTS  
SEPTEMBER 30, 2016

| Identification Number and Issuing Institution | Purchase Date | Face Amount, or Shares | Maturity Date | Compon Interest Rate | Cost          | Fair Value 09/30/16 |
|---|---------------|------------------------|---------------|----------------------|---------------|---------------------|
| Federal Realty Invs Trust - 313747AV9         | 03/16/15      | 50,000                 | 12/01/44      | 4.500%               | 52,690        | 56,663              |
| Lockheed Martin - 539830BD0                   | 02/17/15      | 80,000                 | 03/01/45      | 3.800%               | 77,461        | 81,541              |
| Amgen Inc - 031162BZ2                         | 08/19/16      | 95,000                 | 05/01/45      | 4.400%               | 101,924       | 99,790              |
| Sunoco Logistics - 86765BAQ2                  | 05/02/16      | 10,000                 | 05/15/45      | 5.350%               | 8,920         | 10,217              |
| Goldman Sachs - 38148LAF3                     | 05/19/15      | 25,000                 | 05/22/45      | 5.150%               | 24,837        | 27,263              |
| Celgene Corp - 151020AU8                      | 07/11/16      | 50,000                 | 08/15/45      | 5.000%               | 56,910        | 56,296              |
| Anheuser Busch InBev Fin - 035242AN6          | 01/25/16      | 70,000                 | 02/01/46      | 4.900%               | 69,835        | 83,285              |
| Fedex Corp - 31428XBG0                        | 07/08/16      | 25,000                 | 04/01/46      | 4.550%               | 28,081        | 27,769              |
| Lowes Cos Inc B/E - 548661DN4                 | 04/20/16      | 90,000                 | 04/15/46      | 3.700%               | 89,919        | 92,986              |
| Shell Int'l Fin B/E - 822582BQ4               | 05/10/16      | 25,000                 | 05/10/46      | 4.000%               | 24,549        | 25,575              |
| Shell Int'l Fin - 822582BQ4                   | 07/28/16      | 85,000                 | 05/10/46      | 4.000%               | 88,089        | 86,955              |
| Abbvie Inc - 00287YAW9                        | 08/02/16      | 20,000                 | 05/14/46      | 3.850%               | 21,414        | 20,888              |
| Kraft Heinz Foods - 50077LAB2                 | 05/24/16      | 50,000                 | 06/01/46      | 4.375%               | 49,842        | 52,901              |
| Tri-State Generation - 89566EAK4              | 05/23/16      | 50,000                 | 06/01/46      | 4.250%               | 49,597        | 53,161              |
| Aetna Inc - 00817YAX6                         | 06/22/16      | 65,000                 | 06/15/46      | 4.375%               | 66,622        | 68,065              |
| Voya Finl Inc - 929089AC4                     | 06/13/16      | 90,000                 | 06/15/46      | 4.800%               | 90,457        | 89,808              |
| Apple Inc B/E - 037833CD0                     | 08/04/16      | 100,000                | 08/04/46      | 3.850%               | 103,302       | 102,276             |
| Microsoft Corp - 594918BT0                    | 08/08/16      | 90,000                 | 08/08/46      | 3.700%               | 89,752        | 91,097              |
| Verizon Communications - 92343VDC5            | 08/01/16      | 20,000                 | 08/15/46      | 4.125%               | 19,989        | 20,006              |
| Verizon Communications - 92343VCK8            | various       | 55,000                 | 08/21/46      | 4.862%               | 57,710        | 61,603              |
| Duke Energy - 26441CAT2                       | 08/12/16      | 20,000                 | 09/01/46      | 3.750%               | 19,989        | 19,395              |
| SBA Tower Trust - 78403DAH3                   | 02/05/15      | 70,000                 | 10/15/49      | 3.869%               | 73,150        | 72,197              |
| Wells Fargo - 949746RN3                       | 01/15/15      | 23,000                 | 12/29/49      | 5.875%               | 23,056        | 24,955              |
| New York & Presbyterian - 649322AD6           | 06/28/16      | 40,000                 | 08/01/56      | 4.063%               | 39,998        | 43,110              |
| Total Corporate Bonds                         |               |                        |               |                      | \$ 22,722,630 | \$ 22,802,346       |
| Stock and Mutual Funds:                       |               |                        |               |                      |               |                     |
| Common/Preferred Stock                        | various       | 1,725,193              | —             | —                    | \$ 59,424,872 | \$ 67,095,154       |
| UBS Cash/Money Market Funds                   | various       | 6,611,464              | —             | —                    | 6,611,464     | 6,611,464           |
| PNC Small Cap Fund Class I - PPCIX            | various       | 199,415                | —             | —                    | 3,744,731     | 4,423,029           |
| Total Stock and Mutual Funds                  |               |                        |               |                      | \$ 69,781,067 | \$ 78,129,647       |
| U. S. Government and Agency Securities:       |               |                        |               |                      |               |                     |
| FHLB Bond 3133XM087                           | various       | 1,000,000              | 11/17/17      | 5.000%               | 1,096,011     | 1,047,789           |
| Freddie Mac Nts 3137EABP3                     | various       | 1,000,000              | 06/13/18      | 4.875%               | 1,197,638     | 1,068,139           |
| US Tsy Note - 912828K82                       | various       | 125,000                | 08/15/18      | 1.000%               | 125,019       | 125,528             |
| US Tsy Note - 912828T42                       | 09/28/16      | 160,000                | 09/30/18      | 0.750%               | 160,006       | 160,062             |
| US Tsy Note - 912828A34                       | 10/10/14      | 445,000                | 11/30/18      | 1.250%               | 441,367       | 449,103             |
| US Tsy Note - 912828P95                       | 03/22/16      | 120,000                | 03/15/19      | 1.000%               | 119,828       | 120,460             |
| Freddie Mac Nts 3137EACAS                     | various       | 1,100,000              | 03/27/19      | 3.750%               | 1,245,054     | 1,175,767           |
| US Tsy Note - 912828C65                       | 04/04/14      | 160,000                | 03/31/19      | 1.625%               | 159,187       | 163,043             |
| US Tsy Note - 912828Q52                       | various       | 535,000                | 04/15/19      | 0.875%               | 533,887       | 535,353             |
| US Tsy Note - 912828SX9                       | 04/18/16      | 115,000                | 05/31/19      | 1.125%               | 115,737       | 115,853             |
| US Tsy Note - 912828B5                        | various       | 365,000                | 08/15/19      | 0.750%               | 363,582       | 363,730             |
| US Tsy Note - 912828TN0                       | 10/10/14      | 520,000                | 08/31/19      | 1.000%               | 503,953       | 521,664             |
| US Tsy Note - 912828G61                       | 12/15/14      | 210,000                | 11/30/19      | 1.500%               | 208,991       | 213,683             |
| US Tsy Note - 912828UB4                       | 10/23/15      | 220,000                | 11/30/19      | 1.000%               | 217,714       | 220,438             |
| US Tsy Note - 912828J50                       | 03/04/15      | 65,000                 | 02/29/20      | 1.375%               | 64,345        | 65,851              |
| US Tsy Note - 912828K58                       | various       | 80,000                 | 04/30/20      | 1.375%               | 79,177        | 81,041              |
| US Tsy Note - 912828XH8                       | 07/07/15      | 60,000                 | 06/30/20      | 1.625%               | 59,784        | 61,308              |
| US Tsy Note - 912828XM7                       | various       | 250,000                | 07/31/20      | 1.625%               | 250,096       | 255,440             |
| US Tsy Note - 912828L32                       | various       | 290,000                | 08/31/20      | 1.375%               | 288,339       | 293,558             |
| US Tsy Note - 912828L65                       | 10/23/15      | 155,000                | 09/30/20      | 1.375%               | 155,137       | 156,846             |
| US Tsy Note - 912828P87                       | 03/10/16      | 60,000                 | 02/28/21      | 1.125%               | 59,170        | 60,038              |
| US Tsy Note - 912828Q37                       | 05/03/16      | 110,000                | 03/31/21      | 1.250%               | 109,798       | 110,575             |
| US Tsy Note - 912828Q78                       | various       | 820,000                | 04/30/21      | 1.375%               | 828,253       | 828,584             |
| US Tsy Note - 912828R77                       | various       | 325,000                | 05/31/21      | 1.375%               | 327,230       | 328,517             |
| US Tsy Note - 912828F6                        | 09/01/16      | 126,000                | 08/31/21      | 1.125%               | 125,807       | 125,871             |
| US Tsy Note - 912828F6                        | 09/22/16      | 65,000                 | 08/31/21      | 1.125%               | 64,761        | 64,934              |
| US Tsy Note - 912828F21                       | 10/14/14      | 500,000                | 09/30/21      | 2.250%               | 503,983       | 522,420             |
| US Tsy Note - 912828M49                       | various       | 170,000                | 10/31/22      | 1.875%               | 173,506       | 175,386             |
| US Tsy Note - 912828D1                        | 09/01/16      | 295,000                | 08/31/23      | 1.375%               | 293,790       | 294,080             |
| United Mexican States - 91086QBC15            | 01/14/15      | 80,000                 | 10/02/23      | 4.000%               | 83,880        | 85,480              |
| US Tsy Note - 912828A7                        | various       | 154,000                | 08/15/26      | 1.500%               | 152,305       | 152,502             |
| US Tsy Note - 912828A7                        | various       | 60,000                 | 08/15/26      | 1.500%               | 59,398        | 59,416              |
| US Tsy Bond - 912810PW2                       | 01/09/15      | 260,000                | 02/15/38      | 4.375%               | 351,802       | 362,658             |
| US Tsy Bond - 912810QB7                       | 03/21/16      | 175,000                | 05/15/39      | 4.250%               | 227,698       | 239,948             |
| US Tsy Bond - 912810RD2                       | various       | 70,000                 | 11/15/43      | 3.750%               | 74,462        | 91,104              |
| US Tsy Bond - 912810RM2                       | various       | 185,000                | 05/15/45      | 3.000%               | 186,750       | 210,930             |
| US Tsy Bond - 912810RQ3                       | various       | 70,000                 | 02/15/46      | 2.500%               | 73,262        | 72,351              |
| US Tsy Bond - 912810RS9                       | various       | 136,000                | 05/15/46      | 2.500%               | 142,612       | 140,760             |
| US Tsy Bond - 912810RS9                       | 08/23/16      | 150,000                | 05/15/46      | 2.500%               | 157,589       | 155,250             |
| Total U. S. Government and Agency Securities  |               |                        |               |                      | \$ 11,380,908 | \$ 11,275,460       |
| Asset-Backed Securities                       |               |                        |               |                      |               |                     |
| GMALT 2015 - 38013GAC3                        | 06/17/15      | 30,000                 | 12/20/18      | 1.680%               | 29,998        | 30,135              |
| FHLMC PL G11503 - 31283KU48                   | 09/28/11      | 500,000                | 01/01/19      | 5.000%               | 23,420        | 14,587              |
| GMALT - 36250UAD6                             | 02/25/16      | 30,000                 | 07/20/19      | 2.220%               | 29,999        | 30,172              |
| WOLS 2016 - 98161FAD7                         | 07/20/16      | 91,000                 | 08/15/19      | 1.450%               | 90,989        | 91,384              |
| AFIN 2015 - 13974LAC2                         | 10/15/15      | 93,000                 | 03/20/20      | 1.830%               | 92,980        | 93,548              |
| AMOT 2015-3 - 02005AFL7                       | 02/01/16      | 45,000                 | 05/15/20      | 1.630%               | 44,944        | 45,193              |
| GFORT 2015-1 - 361886AG9                      | 02/01/16      | 100,000                | 05/15/20      | 2.220%               | 99,500        | 100,097             |
| AMCAR 2014-4 D 03065JAG9                      | 01/22/15      | 200,000                | 11/09/20      | 3.070%               | 201,641       | 203,532             |
| AMCAR 2015 - 03065LAF6                        | 05/12/15      | 90,000                 | 01/08/21      | 2.400%               | 89,733        | 91,097              |
| AMCAR 2015 - 03065NAF2                        | 08/11/15      | 53,000                 | 03/08/21      | 2.940%               | 52,999        | 54,074              |
| Carmx 2015-2 - 143127AE8                      | 01/13/16      | 33,000                 | 03/15/21      | 2.150%               | 32,959        | 33,475              |
| SDART 2015 1 - 80284CAG7                      | 06/15/15      | 130,000                | 04/15/21      | 3.240%               | 130,589       | 132,945             |
| SDART 2015 3 - 80284LAG7                      | 01/26/16      | 175,000                | 05/17/21      | 3.510%               | 175,820       | 180,086             |
| AMCAR 2015 - 03065LAG4                        | various       | 210,000                | 06/08/21      | 3.000%               | 210,864       | 213,725             |
| AMCAR 2016-2 - 03066DAF3                      | 04/14/16      | 25,000                 | 11/08/21      | 2.870%               | 24,999        | 25,653              |
| SDART 16-2 - 80285CAH4                        | 05/11/16      | 30,000                 | 11/15/21      | 2.660%               | 29,993        | 30,469              |
| AMCAR 16-1 - 03065VAF4                        | 01/21/16      | 27,000                 | 01/10/22      | 2.890%               | 27,000        | 27,734              |
| Amarc 2016 - 03065VAG2                        | 07/14/16      | 180,000                | 02/08/22      | 3.590%               | 185,168       | 186,323             |
| FREMF - 30292QAA4                             | 05/14/15      | 52,000                 | 02/25/22      | 3.669%               | 51,777        | 51,174              |
| SDART 2016-1 C - 80285EAF4                    | 02/17/16      | 46,000                 | 04/15/22      | 3.230%               | 45,992        | 47,198              |



Table 13

## City of Columbia, Missouri

SCHEDULE OF MARKETABLE SECURITIES AND INVESTMENTS  
SEPTEMBER 30, 2016

| Identification Number and Issuing Institution                       | Purchase Date | Face Amount, or Shares | Maturity Date | Coupon Interest Rate | Cost           | Fair Value 09/30/16 |
|---|---------------|------------------------|---------------|----------------------|----------------|---------------------|
| AMCAR 2016 - 03065DAG2  | 08/11/16      | 325,000                | 09/08/22      | 2.710%               | 325,525        | 326,865             |
| FNMA PL 889009 - 31410GVA8  | 10/18/11      | 600,000                | 01/01/23      | 5.000%               | 48,934         | 33,404              |
| AFIN 2016-1 D - 13975NAG8   | 03/16/16      | 185,000                | 08/21/23      | 4.030%               | 185,000        | 192,557             |
| FNR 2015 - 3136ANLH8  | 05/04/15      | 120,000                | 12/25/24      | 2.502%               | 118,500        | 122,740             |
| FHLMC STACR - 3137GODT3   | 05/06/15      | 165,000                | 01/25/25      | 2.583%               | 133,739        | 132,010             |
| WFNMT 2016 - 981464FK1  | 07/27/16      | 42,000                 | 04/15/25      | 2.330%               | 41,993         | 42,073              |
| US AI 2013-1 - 90346WAA1  | 01/15/15      | 100,000                | 05/15/27      | 3.950%               | 90,795         | 92,384              |
| FNMA PL AO7976 - 3138LY2J5  | 11/19/12      | 180,000                | 06/01/27      | 3.000%               | 105,261        | 99,386              |
| CRNN 2013 1A - 227170AE7  | various       | 150,000                | 04/18/28      | 3.080%               | 98,836         | 95,851              |
| FNMA CAS 2016-C02 - 30711XBZ6                                       | 06/22/16      | 25,000                 | 09/25/28      | 2.596%               | 24,431         | 24,471              |
| CAS 2016-C04 - 30711XCZ5  | 07/28/16      | 144,000                | 01/25/29      | 2.376%               | 142,653        | 143,520             |
| Spirit Airlines - 84858DAA6   | 08/11/15      | 46,000                 | 10/01/29      | 4.100%               | 46,100         | 45,327              |
| SRFC - 82652DAA8  | various       | 300,000                | 06/20/31      | 2.050%               | 87,903         | 90,525              |
| Citi 2016 - 17325CAA3   | 09/26/16      | 100,000                | 09/10/31      | 2.228%               | 99,999         | 99,991              |
| MVWOT 2015 - 55388PAA8  | 08/13/15      | 100,000                | 12/20/32      | 2.520%               | 74,099         | 72,475              |
| FNMA - 31418AWD6  | 01/26/15      | 210,000                | 08/01/33      | 3.500%               | 152,709        | 150,519             |
| BBCR 2015 - 05490TAC6   | 08/20/15      | 113,000                | 08/10/33      | 4.216%               | 116,382        | 121,885             |
| FHLMC - 3132LMBZ8   | 11/12/15      | 79,000                 | 09/01/33      | 3.500%               | 61,142         | 60,991              |
| FNMA - 3138WDKC4  | 02/10/15      | 686,393                | 11/01/34      | 4.000%               | 512,008        | 493,039             |
| FHLMC - 3128P8AR2   | 03/12/15      | 104,000                | 03/01/35      | 3.500%               | 92,913         | 92,727              |
| FHLMC - 3128P8AV3   | 03/12/15      | 104,000                | 03/01/35      | 3.500%               | 92,467         | 92,492              |
| FHLMC - 3128P8A68   | 04/07/15      | 24,000                 | 04/01/35      | 3.500%               | 22,402         | 22,379              |
| BBCMS 2015-SRCH B - 05547HAJ0                                       | 12/15/15      | 100,000                | 08/10/35      | 4.498%               | 102,996        | 110,217             |
| FHLMC G02882 - 3128M4RB1  | 11/14/11      | 1,000,000              | 04/01/37      | 5.500%               | 66,581         | 44,753              |
| FNMA PL 954859 - 31413TIC7  | 09/13/12      | 370,000                | 11/01/37      | 6.000%               | 36,512         | 28,511              |
| FHLMC PL G06685 - 3128M8XN9   | 10/03/11      | 201,434                | 03/01/39      | 6.500%               | 79,509         | 65,791              |
| FNMA PL AD0242 - 31418MHU9  | 11/14/11      | 500,000                | 09/01/39      | 5.500%               | 74,199         | 56,264              |
| FNMA PL 932639 - 31412REL7  | 10/25/11      | 400,000                | 03/01/40      | 5.000%               | 109,468        | 96,157              |
| FNMA PL 890247 - 31410LBQ4  | 01/14/13      | 100,000                | 08/25/40      | 6.000%               | 21,375         | 17,622              |
| FNMA PL AE4350 - 31419EZO5  | 11/14/11      | 90,000                 | 10/01/40      | 4.000%               | 46,993         | 46,876              |
| GNMA PL 738246X - 3620ASET2   | 02/19/13      | 725,000                | 04/15/41      | 4.500%               | 148,475        | 124,793             |
| FNMA PL A11886 - 3138AFCY4  | 09/13/12      | 70,000                 | 05/01/41      | 4.500%               | 29,563         | 26,265              |
| FNMA PL AJ1696 - 3138AS3E0  | 03/12/12      | 130,000                | 09/01/41      | 4.000%               | 50,296         | 47,164              |
| FHLMC PL Q03968 - 3132GKCD6   | 11/14/11      | 60,000                 | 10/01/41      | 3.500%               | 37,062         | 38,342              |
| FNMA PL AB3678 - 31417ACQ0  | 11/14/11      | 60,000                 | 10/01/41      | 3.500%               | 37,040         | 38,193              |
| FNMA PL MA0926 - 31418AA40  | 04/12/12      | 270,000                | 12/01/41      | 4.000%               | 48,873         | 42,014              |
| FNMA - 3138Y63W2  | various       | 460,000                | 01/01/42      | 4.000%               | 381,554        | 376,198             |
| FNMA PL AJ9172 - 3138E2FN0  | 03/12/12      | 130,000                | 01/01/42      | 4.000%               | 60,977         | 57,981              |
| GNMA PL 005333C - 3620F4S2  | 02/19/13      | 135,000                | 03/20/42      | 4.500%               | 47,002         | 41,164              |
| FNMA PL AB5462 - 31417CB87  | 10/11/12      | 130,000                | 06/01/42      | 3.000%               | 89,102         | 84,836              |
| FNMA PL AB6212 - 31417C3W3  | 10/11/12      | 90,000                 | 09/01/42      | 3.000%               | 65,833         | 62,828              |
| CSCM 2013 - 12646UAK4   | 06/17/13      | 140,000                | 03/25/43      | 3.000%               | 96,356         | 100,219             |
| FNMA AB9345 - 31417GL38   | 11/13/14      | 425,000                | 05/01/43      | 3.000%               | 316,960        | 325,509             |
| FNMA AB9558 - 31417GTQ9   | 10/22/14      | 425,000                | 06/01/43      | 3.000%               | 330,620        | 337,122             |
| FHLMC Q20576 - 3132JMT90  | 11/13/14      | 425,000                | 08/01/43      | 3.000%               | 330,971        | 341,848             |
| WBCMT 2007 - 92978QAH0  | 08/22/16      | 60,000                 | 12/15/43      | 5.383%               | 60,806         | 60,536              |
| DBUBS 2011 LC2 - 23305XAJ0  | 11/05/13      | 90,000                 | 07/10/44      | 5.625%               | 91,048         | 94,827              |
| FNMA - 3138WDAM3  | 10/22/15      | 241,000                | 10/01/44      | 3.500%               | 215,713        | 217,793             |
| FNMA PL BC 5090 - 3140FOUQ5   | 04/13/16      | 33,000                 | 10/01/44      | 4.000%               | 29,766         | 29,496              |
| FNMA PL AS4370 - 3138WD2C4  | 07/14/15      | 150,000                | 02/01/45      | 4.000%               | 139,081        | 142,020             |
| JPMBB 2013 - 46639NAN1  | 06/10/15      | 69,000                 | 07/15/45      | 3.272%               | 71,833         | 72,257              |
| FNMA PL - 3138EQKP6   | 12/10/15      | 55,000                 | 10/01/45      | 3.500%               | 54,886         | 56,365              |
| COMME 2012 - 12624QAE3  | various       | 170,000                | 10/15/45      | 4.579%               | 160,003        | 166,274             |
| FHLMC - 3132L7MC0   | 05/31/16      | 57,000                 | 12/01/45      | 4.000%               | 53,808         | 53,843              |
| FHLMC PL G08703 - 3128MIX96   | 07/14/16      | 114,000                | 04/01/46      | 4.000%               | 117,872        | 117,654             |
| Taco Bell Funding LLC - 87342RAA2                                   | 05/11/16      | 75,000                 | 05/25/46      | 3.823%               | 75,172         | 76,053              |
| FHLMC PL Q41083 - 3132WEFZ0   | 06/24/16      | 191,000                | 06/01/46      | 3.000%               | 195,257        | 196,894             |
| FNMA PL BC - 3140EVK71  | 08/26/16      | 94,000                 | 07/01/46      | 3.000%               | 97,192         | 97,240              |
| FHLMC PL - 31335AX86  | 09/14/16      | 125,000                | 09/01/46      | 4.000%               | 134,316        | 134,522             |
| FNMA PL - 3138WHZ21   | 09/29/16      | 232,000                | 09/01/46      | 4.000%               | 255,781        | 254,913             |
| JPMBB 2014 - 46641WBB2  | 03/18/15      | 150,000                | 04/15/47      | 4.678%               | 159,375        | 157,179             |
| CSAIL 2015 - 12635FBA1  | 08/25/15      | 145,000                | 08/15/48      | 3.507%               | 114,069        | 108,589             |
| JPMBB 2015 - 46644FAK7  | 06/24/15      | 175,000                | 10/15/48      | 4.382%               | 169,887        | 162,136             |
| WFMC 2016 - 95000GBD5   | 08/18/16      | 50,000                 | 08/15/49      | 2.967%               | 51,498         | 50,599              |
| GSMS 2016 - 36251PAL8   | 09/30/16      | 55,000                 | 10/10/49      | 4.000%               | 56,349         | 56,650              |
| TPMT 2016 - 89172YAA8   | 07/29/16      | 100,000                | 08/25/55      | 2.250%               | 95,632         | 95,731              |
| Total Asset-Backed Securities                                       |               |                        |               |                      | \$ 9,352,816   | \$ 9,242,450        |
| Total Police and Firefighters' Investments                          |               |                        |               |                      | \$ 113,237,421 | \$ 121,449,903      |
| Total Restricted/Unrestricted Marketable Securities and Investments |               |                        |               |                      | \$ 415,693,975 | \$ 419,900,499      |

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**Table 14**

**City of Columbia, Missouri**

**FEDERAL AND STATE GRANTS REVENUE  
SEPTEMBER 30, 2016**

|   |           |                          |
|---|-----------|--------------------------|
| <u>Policy Development and Administration:</u>     |           |                          |
| Convention & Tourism Grants                       | \$ 52,030 |                          |
| Total Policy Development and Administration       |           | \$ 52,030                |
| <br><u>Public Safety:</u>                         |           |                          |
| Police  | 274,686   |                          |
| Fire  | 60,527    |                          |
| Total Public Safety                               |           | 335,213                  |
| <br><u>Transportation:</u>                        |           |                          |
| Planning  | 198,535   |                          |
| Street Construction                               | 1,264,939 |                          |
| Non Motorized Transportation Projects             | 2,732,850 |                          |
| Airport   | 4,306,100 |                          |
| Public Transportation                             | 2,316,024 |                          |
| Total Transportation                              |           | 10,818,448               |
| <br><u>Health and Environment:</u>                |           |                          |
| Health Department                                 | 1,500,120 |                          |
| CDBG/HOME   | 1,711,395 |                          |
| Solid Waste                                       | 146,712   |                          |
| Total Health and Environment                      |           | 3,358,227                |
| <br><u>Personal Development:</u>                  |           |                          |
| Trails Grants                                     | 175,000   |                          |
| Non Motorized projects                            | 429,602   |                          |
| Cultural Affairs                                  | 12,567    |                          |
| Parks & Recreation                                | 68,089    |                          |
| Total Personal Development                        |           | 685,258                  |
| <br><b>Total Federal and State Grants Revenue</b> |           | <br><b>\$ 15,249,176</b> |

**Table 15**

**City of Columbia, Missouri**

**TAXABLE SALES BY CATEGORY  
LAST TEN FISCAL YEARS**

|   | <b>2007</b>            | <b>2008</b>            | <b>2009</b>            | <b>2010</b>            |
|---|------------------------|------------------------|------------------------|------------------------|
| Agriculture, forestry, fishing            | \$3,738,744            | \$3,703,641            | \$3,654,970            | \$4,034,939            |
| Construction                              | 5,309,423              | 6,605,135              | 6,189,123              | 8,391,340              |
| Finance, insurance, real estate           | 1,129,272              | 1,230,495              | 1,601,141              | 1,731,830              |
| Manufacturing                             | 8,666,372              | 9,359,687              | 8,563,491              | 8,441,526              |
| Public Administration                     | 95,080,030             | 95,328,438             | 88,902,385             | 82,485,976             |
| Retail Trade                              | 1,450,439,128          | 1,451,308,614          | 1,422,599,321          | 1,442,787,676          |
| Services                                  | 111,721,502            | 117,475,959            | 110,831,173            | 113,318,121            |
| Transportation, communications, utilities | 186,319,662            | 197,474,469            | 200,652,089            | 208,104,657            |
| Unclassified Establishments               | <u>129,508,137</u>     | <u>117,154,928</u>     | <u>100,260,458</u>     | <u>121,366,211</u>     |
|   | <u>\$1,991,912,270</u> | <u>\$1,999,641,366</u> | <u>\$1,943,254,151</u> | <u>\$1,990,662,276</u> |

Source: State of Missouri Department of Revenue; numbers reported on cash basis  
 Report generated by Budgeting Staff via the Sales Tax Database  
 Note: Data subject to change as more precise numbers become available.

**City Direct Sales Tax Rates**

|                                  |              |              |              |              |
|----------------------------------|--------------|--------------|--------------|--------------|
| General                          | 1.00%        | 1.00%        | 1.00%        | 1.00%        |
| Transportation                   | 0.50%        | 0.50%        | 0.50%        | 0.50%        |
| Capital Improvement Plan         | 0.25%        | 0.25%        | 0.25%        | 0.25%        |
| Parks                            | <u>0.25%</u> | <u>0.25%</u> | <u>0.25%</u> | <u>0.25%</u> |
| Total City Direct Sales Tax Rate | 2.00%        | 2.00%        | 2.00%        | 2.00%        |

**Table 15, cont**

**City of Columbia, Missouri**

**TAXABLE SALES BY CATEGORY  
LAST TEN FISCAL YEARS**

| <b>2011</b>                   | <b>2012</b>                   | <b>2013</b>                   | <b>2014</b>                   | <b>2015</b>                   | <b>2016</b>                   |
|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| \$4,295,651                   | \$4,748,854                   | \$5,188,990                   | \$4,734,225                   | \$4,668,042                   | \$5,014,000                   |
| 10,159,262                    | 12,643,956                    | 15,538,571                    | 16,433,648                    | 21,627,716                    | 21,413,051                    |
| 1,841,365                     | 5,079,871                     | 4,905,322                     | 5,205,207                     | 6,037,059                     | 7,148,456                     |
| 8,051,895                     | 8,234,983                     | 8,726,021                     | 8,915,018                     | 8,601,704                     | 8,765,696                     |
| 85,873,365                    | 86,717,860                    | 85,805,115                    | 92,559,596                    | 89,097,753                    | 79,964,202                    |
| 1,510,185,437                 | 1,606,167,451                 | 1,674,651,789                 | 1,691,111,569                 | 1,744,558,358                 | 1,651,751,410                 |
| 118,984,696                   | 122,788,745                   | 129,228,043                   | 140,249,397                   | 149,348,423                   | 139,698,126                   |
| 215,221,024                   | 191,522,423                   | 197,173,582                   | 210,383,766                   | 207,297,428                   | 183,599,792                   |
| <u>134,314,994</u>            | <u>148,464,570</u>            | <u>157,478,983</u>            | <u>185,187,848</u>            | <u>205,208,943</u>            | <u>238,282,424</u>            |
| <u><u>\$2,088,927,689</u></u> | <u><u>\$2,186,368,713</u></u> | <u><u>\$2,278,696,416</u></u> | <u><u>\$2,354,780,274</u></u> | <u><u>\$2,436,445,426</u></u> | <u><u>\$2,335,637,157</u></u> |

**City Direct Sales Tax Rates, cont.**

|              |              |              |              |              |              |
|--------------|--------------|--------------|--------------|--------------|--------------|
| 1.00%        | 1.00%        | 1.00%        | 1.00%        | 1.00%        | 1.00%        |
| 0.50%        | 0.50%        | 0.50%        | 0.50%        | 0.50%        | 0.50%        |
| 0.25%        | 0.25%        | 0.25%        | 0.25%        | 0.25%        | 0.25%        |
| <u>0.25%</u> | <u>0.25%</u> | <u>0.25%</u> | <u>0.25%</u> | <u>0.25%</u> | <u>0.25%</u> |
| 2.00%        | 2.00%        | 2.00%        | 2.00%        | 2.00%        | 2.00%        |

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Table 16

## City of Columbia, Missouri

RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

| Governmental Activities |                           |                         |                          |                          |
|-------------------------|---------------------------|-------------------------|--------------------------|--------------------------|
| Fiscal Year Ended       | Capital Lease Obligations | Notes and Loans Payable | Special Obligation Bonds | Special Obligation Notes |
| 2016                    | \$ 10,132                 | \$ 4,823,731            | \$ 19,249,375            | \$ 5,806,420             |
| 2015                    | 34,133                    | 5,594,844               | 24,291,421               | 7,009,780                |
| 2014                    | 57,697                    | 6,337,186               | 28,575,582               | 8,145,301                |
| 2013                    | 106,198                   | 7,051,261               | 32,656,417               | 9,215,859                |
| 2012                    | 209,447                   | 2,056,161               | 36,580,582               | 10,225,183               |
| 2011                    | -                         | -                       | 40,339,747               | 11,175,289               |
| 2010                    | -                         | -                       | 43,948,910               | 995,000                  |
| 2009                    | -                         | -                       | 46,693,075               | 1,950,000                |
| 2008                    | -                         | -                       | 49,102,240               | 2,865,000                |
| 2007                    | -                         | -                       | 24,412,957               | 3,740,000                |

| Business-Type Activities |                           |                          |                        |               |                  |   |                         |
|--------------------------|---------------------------|--------------------------|------------------------|---------------|------------------|---|-------------------------|
| Fiscal Year Ended        | Capital Lease Obligations | Special Obligation Bonds | Water & Electric Bonds | Sewer Bonds   | Total Government | Percentage of Per Capita Personal Income <sup>a</sup> | Per Capita <sup>a</sup> |
| 2016                     | \$ 725,677                | \$ 91,569,509            | \$ 156,668,102         | \$ 94,350,720 | \$ 373,203,666   | n/a %   | n/a                     |
| 2015                     | 797,893                   | 96,831,150               | 162,612,216            | 99,367,324    | 396,538,761      | 5.36 %  | 3,329                   |
| 2014                     | 174,183                   | 100,644,111              | 135,699,854            | 84,374,663    | 364,008,577      | 5.09 %  | 3,056                   |
| 2013                     | 197,639                   | 93,821,039               | 140,617,441            | 88,772,182    | 372,438,036      | 5.32 %  | 3,117                   |
| 2012                     | 220,290                   | 100,490,422              | 145,824,435            | 86,871,118    | 382,477,638      | 5.74 %  | 3,318                   |
| 2011                     | 242,163                   | 93,208,599               | 151,238,623            | 56,589,896    | 352,794,317      | 5.37 %  | 3,138                   |
| 2010                     | -                         | 94,857,956               | 82,023,648             | 33,207,073    | 255,032,587      | 4.05 %  | 2,293                   |
| 2009                     | -                         | 96,437,311               | 86,066,307             | 28,357,275    | 259,503,968      | 4.31 %  | 2,624                   |
| 2008                     | -                         | 84,885,220               | 73,322,485             | 19,292,241    | 229,467,186      | 4.16 %  | 2,356                   |
| 2007                     | -                         | 64,705,863               | 77,104,088             | 18,684,800    | 188,647,708      | 3.57 %  | 1,963                   |

n/a = information not available for current year

<sup>a</sup> See Table 24 for personal income and population data

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**Table 17**

**City of Columbia, Missouri**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
SEPTEMBER 30, 2016**

| <u>Jurisdiction</u>      | <u>Bond Issues Outstanding</u> | <u>Amount Available Debt Service Funds</u> | <u>Net Debt Outstanding</u> | <u>Percentage Applicable to City of Columbia (a)</u> | <u>Amount Applicable to City of Columbia</u> |
|--------------------------|--------------------------------|--|-----------------------------|--|--|
| City of Columbia         | \$0                            | \$0  | \$0                         | 0.0%   | \$0  |
| Columbia School District | 326,032,000                    | 42,123,566                                 | 283,908,434                 | 83.4%  | 236,761,097                                  |
| Boone County             | 18,486,646                     | 533,022                                    | 17,953,624                  | 72.6%  | 13,042,375                                   |
| Totals                   | <u>\$344,518,646</u>           | <u>\$42,656,588</u>                        | <u>\$301,862,058</u>        |  | <u>\$249,803,472</u>                         |

Source: Assessed value data used to estimate applicable percentages provided by the Boone County Collectors Office. Debt outstanding data provided by each governmental unit.

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

(a) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

**Table 18**

**City of Columbia, Missouri**

**LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

|   |  |               |                    |                                 |
|---|--|---------------|--------------------|---------------------------------|
| Assessed value (2015)                         |  |               |                    | <u><u>\$1,928,971,776</u></u> * |
| Constitutional debt limit **                  |  |               |                    | \$385,794,355                   |
| (20% assessed value)                          |  |               |                    |                                 |
| Total bonded debt                             |  |               | \$246,047,700      |                                 |
| Less:   |  |               |                    |                                 |
| Water and Electric Utility Bonds              |  | \$152,920,000 |                    |                                 |
| Sanitary Sewer Utility Bonds                  |  | 93,127,700    | <u>246,047,700</u> |                                 |
| Total amount of debt applicable to debt limit |  |               |                    | <u>0</u>                        |
| Legal debt margin                             |  |               |                    | <u><u>\$385,794,355</u></u>     |

|  | Fiscal Year   |               |               |               |
|--|---------------|---------------|---------------|---------------|
|  | <u>2007</u>   | <u>2008</u>   | <u>2009</u>   | <u>2010</u>   |
| Debt limit   | \$312,992,986 | \$324,507,278 | \$328,051,141 | \$329,972,141 |
| Total net debt applicable to limit                                   | \$0           | \$0           | \$0           | \$0           |
| Legal debt margin  | \$312,992,986 | \$324,507,278 | \$328,051,141 | \$329,972,141 |
| Total net debt applicable to the limit as a percentage of debt limit | 0.00%         | 0.00%         | 0.00%         | 0.00%         |

\* All tangible property.

\*\*Section 95.115 of the 1978 Missouri Revised Statutes permits any county or city, by vote of two-thirds of qualified electors voting thereon, to incur additional indebtedness for city purposes not to exceed 5 percent of the taxable tangible property therein, as shown by the last assessment.

Section 95.120 of the 1978 Missouri Revised Statutes permits any county or city, by a vote of two-thirds of qualified electors voting thereon, to incur additional indebtedness for city purposes not to exceed 5 percent of the taxable tangible property therein, as shown by the last assessment.

Sections 95.125 and 95.130 of the 1978 Missouri Revised Statutes provide that any city may become indebted not exceeding in the aggregate an additional 10 percent for the purpose of acquiring right-of-ways, constructing, extending, and improving streets and avenues and/or sanitary or storm sewer system, and an additional 10 percent for purchasing or construction of waterworks, electric, or other light plants, provided the total general obligation indebtedness of the city does not exceed 20 percent of the assessed valuation.

City of Columbia, Missouri

LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS

| Fiscal Year   |               |               |               |               |               |
|---------------|---------------|---------------|---------------|---------------|---------------|
| 2011          | 2012          | 2013          | 2014          | 2015          | 2016          |
| \$334,950,607 | \$342,349,711 | \$348,567,093 | \$360,946,391 | \$373,258,227 | \$385,794,355 |
| \$0           | \$0           | \$0           | \$0           | \$0           | \$0           |
| \$334,950,607 | \$342,349,711 | \$348,567,093 | \$360,946,391 | \$373,258,227 | \$385,794,355 |
| 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         |

Table 19

## City of Columbia, Missouri

**WATER AND ELECTRIC UTILITY REVENUE BOND COVERAGE (a)**  
**LAST TEN FISCAL YEARS**

| Fiscal Year Ended | WATER AND ELECTRIC UTILITY REVENUE / REFUNDING BONDS (c) |                    |               |              |              |              | Revenue Bond Coverage |
|-------------------|--|--------------------|---------------|--------------|--------------|--------------|-----------------------|
|                   | Operating Revenue (d)                                    | Operating Expenses | Net Revenue   | Principal    | Interest (b) | Total        |                       |
| 2007              | \$ 116,758,098   | \$ 84,055,177      | \$ 32,702,921 | \$ 3,595,000 | \$ 4,332,137 | \$ 7,927,137 | 4.13                  |
| 2008              | 121,609,839  | 90,723,595         | 30,886,244    | 3,755,000    | 5,079,238    | 8,834,238    | 3.50                  |
| 2009              | 132,415,953  | 99,094,026         | 33,321,927    | 3,875,000    | 6,125,758    | 10,000,758   | 3.33                  |
| 2010              | 142,829,724  | 104,960,352        | 37,869,372    | 4,020,000    | 6,206,577    | 10,226,577   | 3.70                  |
| 2011              | 151,526,817  | 107,813,998        | 43,712,819    | 4,175,000    | 6,354,157    | 10,529,157   | 4.15                  |
| 2012              | 147,075,417  | 100,038,432        | 47,036,985    | 5,360,000    | 8,714,110    | 14,074,110   | 3.34                  |
| 2013              | 146,188,407  | 111,187,318        | 35,001,089    | 6,545,000    | 8,501,203    | 15,046,203   | 2.33                  |
| 2014              | 152,473,820  | 116,235,925        | 36,237,895    | 6,665,000    | 7,798,291    | 14,463,291   | 2.51                  |
| 2015              | 152,500,629  | 110,335,849        | 42,164,780    | 6,745,000    | 7,174,035    | 13,919,035   | 3.03                  |
| 2016              | 159,378,641  | 112,365,801        | 47,012,840    | 7,668,750    | 7,415,763    | 15,084,513   | 3.12                  |

(a) Revenue bonds and their related interest are payable solely from the revenues derived from the operation of the enterprise owned by the City. The taxing power of the City is not pledged to secure payment of the bonds and interest.

(b) Interest payments made in the fiscal year.

(c) This includes Special Obligation Bonds, Series 2012D and 2012E, which are to be treated as a water and electric utility revenue bond issue.

(d) Includes investment and miscellaneous revenue in fiscal year 2009 and thereafter.

Table 20

## City of Columbia, Missouri

SANITARY SEWER UTILITY REVENUE BOND COVERAGE (a)  
LAST TEN FISCAL YEARS

| Fiscal<br>Year<br>Ended | SANITARY SEWER SYSTEM REVENUE BONDS (d) |                       |                |              |              |           | Revenue<br>Bond<br>Coverage |
|-------------------------|---|-----------------------|----------------|--------------|--------------|-----------|-----------------------------|
|                         | Operating<br>Revenue (c)                | Operating<br>Expenses | Net<br>Revenue | Principal    | Interest (b) | Total     |                             |
| 2007 \$                 | 10,313,861 \$                           | 6,395,635 \$          | 3,918,226 \$   | 1,590,000 \$ | 1,281,897 \$ | 2,871,897 | 1.36                        |
| 2008                    | 10,333,579                              | 6,596,832             | 3,736,747      | 1,640,000    | 1,290,111    | 2,930,111 | 1.28                        |
| 2009                    | 11,645,980                              | 7,637,179             | 4,008,801      | 1,765,000    | 1,256,537    | 3,021,537 | 1.33                        |
| 2010                    | 13,536,909                              | 7,576,703             | 5,960,206      | 1,805,000    | 1,520,655    | 3,325,655 | 1.79                        |
| 2011                    | 15,430,156                              | 7,850,327             | 7,579,829      | 1,875,000    | 1,911,364    | 3,786,364 | 2.00                        |
| 2012                    | 17,973,980                              | 9,145,955             | 8,828,025      | 1,915,000    | 2,121,660    | 4,036,660 | 2.19                        |
| 2013                    | 19,672,456                              | 8,750,941             | 10,921,515     | 3,521,500    | 2,562,275    | 6,083,775 | 1.80                        |
| 2014                    | 20,320,219                              | 9,069,426             | 11,250,793     | 4,840,600    | 2,395,108    | 7,235,708 | 1.55                        |
| 2015                    | 21,897,787                              | 9,221,642             | 12,676,145     | 4,900,545    | 2,324,637    | 7,225,182 | 1.75                        |
| 2016                    | 23,874,520                              | 10,407,206            | 13,467,314     | 5,495,300    | 2,798,051    | 8,293,351 | 1.62                        |

- (a) Revenue bonds and their related interest are payable solely from the revenues derived from the operation of the enterprise owned by the City. The taxing power of the City is not pledged to secure payment of the bonds and interest.
- (b) Interest payments made during the fiscal year.
- (c) Includes investment revenue in fiscal year 2002 and thereafter.
- (d) This includes Special Obligation Bonds Series 2001A, Special Obligation Bonds Series 2006A, and Special Obligation Refunding Bonds Series 2012B which are to be treated as sewer system revenue bond issues.

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Table 21

## City of Columbia, Missouri

PROPERTY VALUE, CONSTRUCTION, AND BANK DEPOSITS  
LAST TEN FISCAL YEARS

| Fiscal Year | Commercial Construction (a) |            | Residential Construction (a) |             | Bank Deposits<br>(in thousands) | Estimated Property Value |
|-------------|-----------------------------|------------|------------------------------|-------------|---------------------------------|--------------------------|
|             | Number of Permits           | Value      | Number of Permits            | Value       |                                 |                          |
| 2007        | 68                          | 89,104,177 | 730                          | 126,755,467 | 2,430,000 (b)                   | 6,141,975,733            |
| 2008        | 58                          | 51,336,697 | 408                          | 69,590,716  | 2,487,000 (b)                   | 6,548,424,667            |
| 2009        | 42                          | 90,871,538 | 355                          | 55,436,649  | 2,702,000 (b)                   | 6,785,163,254            |
| 2010        | 32                          | 15,776,890 | 374                          | 69,360,630  | 2,890,000 (b)                   | 6,830,813,429            |
| 2011        | 33                          | 20,508,272 | 424                          | 112,250,462 | 3,005,000 (b)                   | 6,899,642,329            |
| 2012        | 34                          | 64,741,303 | 411                          | 94,993,740  | 3,174,000 (b)                   | 7,013,851,058            |
| 2013        | 42                          | 55,728,531 | 953                          | 214,609,987 | 3,108,000 (b)                   | 7,172,767,546            |
| 2014        | 36                          | 59,173,040 | 577                          | 209,135,925 | 3,239,000 (b)                   | 7,299,460,971            |
| 2015        | 48                          | 38,720,198 | 493                          | 157,889,702 | 3,464,000 (b)                   | 7,557,017,121            |
| 2016        | 64                          | 71,368,438 | 611                          | 242,584,577 | 3,937,000 (b)                   | 7,811,966,267            |

(a) Source: City of Columbia Public Works Department.

(b) Source: FDIC Summary of Deposits

Table 22

## City of Columbia, Missouri

LARGEST ELECTRIC UTILITY CUSTOMERS  
SEPTEMBER 30, 2016

| Customer                                 | Billed<br>kWh | Billed<br>Revenue |
|--|---------------|-------------------|
| Columbia Foods                           | 31,153,511    | \$ 2,503,163      |
| Boone Hospital Center                    | 30,238,695    | 2,471,714         |
| 3-M Company                              | 26,345,207    | 1,982,194         |
| VA Hospital                              | 19,829,789    | 1,685,933         |
| Gates Rubber                             | 13,650,690    | 1,128,800         |
| Quaker Oats                              | 13,339,757    | 1,256,734         |
| University of Missouri Regional Hospital | 10,920,921    | 901,413           |
| PW Eagle                                 | 9,036,213     | 739,939           |
| City of Columbia Sewer                   | 8,917,010     | 702,661           |
| GGP Ltd-Columbia Mall                    | 7,562,970     | 730,289           |
|  | 170,994,763   | \$ 14,102,840     |



City of Columbia, Missouri

LARGEST WATER UTILITY CUSTOMERS  
SEPTEMBER 30, 2016

| Customer              | Billed<br>CCF | Billed<br>Revenue |
|-----------------------|---------------|-------------------|
| Columbia Foods        | 359,918       | \$ 920,458        |
| Boone Hospital Center | 51,903        | 151,799           |
| 3M Company            | 49,208        | 125,956           |
| JM Eagle              | 41,147        | 118,018           |
| VA Hospital           | 32,759        | 96,261            |
| Linen King            | 24,615        | 65,028            |
| Best Men LLC          | 24,318        | 78,931            |
| University of MO      | 23,383        | 63,320            |
| State Farm Insurance  | 21,364        | 73,685            |
| Executive Center      | 15,700        | 49,550            |
|                       | 644,315       | \$ 1,743,005      |

Table 24

## City of Columbia, Missouri

DEMOGRAPHIC STATISTICS  
LAST TEN FISCAL YEARS

| <u>Fiscal Year</u> | <u>Estimated Population</u> * | <u>Personal Income</u> <sup>a</sup> | <u>Per Capita Personal Income</u> <sup>a</sup> | <u>Median Age</u> | <u>Unemployment Rate</u> |
|--------------------|-------------------------------|-------------------------------------|--|-------------------|--------------------------|
| 2015               | 119,108 <sup>e</sup>          | \$7,401,758 <sup>b</sup>            | \$42,302 <sup>b</sup>                          | 26.6 <sup>d</sup> | 2.8% <sup>c</sup>        |
| 2014               | 119,476 <sup>c</sup>          | 7,153,637                           | 41,418   | 26.6              | 3.5%                     |
| 2013               | 115,276                       | 7,006,491                           | 41,028   | 26.9              | 3.7%                     |
| 2012               | 112,414                       | 6,667,000                           | 39,557   | 29.8              | 4.7%                     |
| 2011               | 111,213                       | 6,567,000                           | 37,350   | 26.5              | 5.9%                     |
| 2010               | 98,893                        | 6,293,000                           | 35,875   | 26.5              | 6.2%                     |
| 2009               | 97,403                        | 6,025,000                           | 36,241   | 28.2              | 5.1%                     |
| 2008               | 96,093                        | 5,521,000                           | 33,604   | 31.8              | 4.4%                     |
| 2007               | 94,645                        | 5,283,000                           | 32,548   | 28.1              | 3.6%                     |
| 2006               | 93,219                        | 5,087,000                           | 32,608   | 29.7              | 3.3%                     |

\*Based on updated census population data

<sup>a</sup> Columbia is reported as a Metropolitan Statistical Area (MSA) which includes Boone and Howard Counties  
Source: US Department of Commerce, Bureau of Economic Analysis.

<sup>b</sup> Bureau of Economic Analysis preliminary information

<sup>c</sup> City of Columbia Annual Budget adopted October 1, 2016

<sup>d</sup> US Census American Community Survey (ACS) 1 year estimate 2014

Table 25

## City of Columbia, Missouri

PRINCIPAL EMPLOYERS  
CURRENT AND NINE YEARS AGO

| Employer                          | 2016                                     |      |                                       | 2007                                     |      |                                       |
|-----------------------------------|--|------|---------------------------------------|--|------|---------------------------------------|
|                                   | Number of Full time, benefited Employees | Rank | Percentage of Total City Employment** | Number of Full time, benefited Employees | Rank | Percentage of Total City Employment** |
| University of Missouri - Columbia | 8,740                                    | 1    | 9.03%                                 | 8,640                                    | 1    | 9.61%                                 |
| University Hospital and Clinics   | 4,502                                    | 2    | 4.65%                                 | 4,371                                    | 2    | 4.86%                                 |
| Columbia Public Schools           | 2,524                                    | 3    | 2.61%                                 | 2,150                                    | 3    | 2.39%                                 |
| Boone Hospital Center             | 2,000                                    | 4    | 2.07%                                 | 1,610                                    | 4    | 1.79%                                 |
| Veterans United Home Loans        | 1,442                                    | 5    | 1.49%                                 | n/a                                      | n/a  | n/a                                   |
| Truman Veterans Hospital          | 1,400                                    | 6    | 1.45%                                 | 985                                      | 9    | 1.10%                                 |
| City of Columbia                  | 1,360                                    | 7    | 1.41%                                 | 1,220                                    | 5    | 1.36%                                 |
| Shelter Insurance                 | 1,128                                    | 8    | 1.17%                                 | 1,006                                    | 8    | 1.12%                                 |
| MBS Textbook Exchange             | 851                                      | 9    | 0.88%                                 | 1,086                                    | 7    | 1.21%                                 |
| State Farm                        | 850                                      | 10   | 0.88%                                 | 1,095                                    | 6    | 1.22%                                 |
| US Government                     | n/a                                      | n/a  | n/a                                   | 731                                      | 10   | 0.81%                                 |

Note: Information from Columbia Regional Economic Development Inc.

\*\*information from the US Bureau of Labor Statistics-2015 annual

Table 26

## City of Columbia, Missouri

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS

| Function/Program                | Full-time Equivalent Employees as of September 30 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
|---------------------------------|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                                 | 2016  | 2015            | 2014            | 2013            | 2012            | 2011            | 2010            | 2009            | 2008            | 2007            |
| <b>Governmental Activities</b>  |   |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| General Administrative          |   |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| City Clerk and Elections        | 3.00  | 3.00            | 3.00            | 3.00            | 3.00            | 3.00            | 3.00            | 2.00            | 2.00            | 2.00            |
| City Manager                    | 11.50   | 11.30           | 11.30           | 10.00           | 7.00            | 7.00            | 8.00            | 9.00            | 8.00            | 8.00            |
| Finance (incl. Risk Management) | 55.40   | 51.35           | 48.20           | 46.20           | 47.00           | 42.25           | 41.25           | 41.25           | 40.25           | 36.25           |
| Human Resources                 | 9.16  | 8.95            | 8.85            | 8.85            | 8.85            | 9.00            | 9.00            | 9.00            | 9.00            | 8.00            |
| Law                             | 16.75   | 15.50           | 15.50           | 14.75           | 12.00           | 12.50           | 13.50           | 9.00            | 10.00           | 9.00            |
| Public Works Administration     | 1.30  | 2.10            | -               | -               | -               | -               | -               | -               | -               | -               |
| *Neighborhood Services          | -   | -               | -               | -               | -               | -               | -               | 2.25            | 2.25            | 2.25            |
| <b>Convention &amp; Tourism</b> | 9.25  | 8.25            | 8.25            | 8.00            | 8.00            | 9.00            | 9.00            | 9.00            | 9.00            | 7.00            |
| Public Safety                   |   |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Police                          | 200.00  | 197.00          | 194.00          | 191.00          | 191.00          | 192.00          | 191.00          | 190.00          | 186.00          | 183.00          |
| Fire                            | 145.00  | 141.00          | 140.00          | 141.00          | 136.00          | 136.00          | 140.00          | 140.00          | 138.00          | 135.00          |
| Municipal Court                 | 12.00   | 12.00           | 12.00           | 12.00           | 12.00           | 12.00           | 13.00           | 9.00            | 9.00            | 8.90            |
| Emergency Mgmt & Comm           | 0.00  | 0.00            | 27.75           | 34.75           | 34.75           | 35.75           | 33.75           | 32.75           | 32.75           | 32.75           |
| Health & Environment            |   |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Health and Human Services       | 69.00   | 66.15           | 64.60           | 62.25           | 62.00           | 62.35           | 62.35           | 63.35           | 61.10           | 60.75           |
| *Planning (incl. CDBG)          | -   | -               | -               | -               | -               | -               | -               | 12.50           | 12.50           | 12.00           |
| *Community Development          | 46.25   | 46.00           | 41.75           | 39.50           | 40.00           | 41.58           | 34.00           | 0.00            | 0.00            | 0.00            |
| Economic Development            | 3.00  | 3.00            | 3.00            | 3.00            | 3.00            | 3.00            | 3.00            | 3.00            | 4.00            | 4.00            |
| Mid Mo Solid Waste Mgt Dist     | 2.00  | -               | -               | -               | -               | -               | -               | -               | -               | -               |
| Cultural Affairs                | 3.00  | 3.00            | 3.00            | 3.00            | 3.00            | 2.75            | 2.75            | 2.75            | 2.75            | 2.75            |
| Parks & Recreation              | 47.41   | 48.16           | 47.50           | 46.50           | 47.50           | 43.50           | 43.50           | 43.50           | 43.50           | 42.50           |
| Public Works                    |   |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Admin & Engineering             | -   | -               | 17.92           | 17.51           | 22.10           | 23.85           | 33.15           | 30.30           | 28.74           | 28.74           |
| Non-Motorized Grants            | 4.80  | 5.10            | 4.90            | 4.95            | 2.35            | 1.10            | 2.00            | 2.00            | 2.00            | -               |
| Streets and Engineering         | 51.90   | 51.46           | -               | -               | -               | -               | -               | -               | -               | -               |
| Streets & Sidewalks             | -   | -               | 40.81           | 40.92           | 40.35           | 39.35           | 39.30           | 40.30           | 39.50           | 39.50           |
| Parking Enforcement             | 13.10   | 12.01           | 5.01            | 4.02            | 4.00            | 4.00            | 4.00            | 4.00            | 4.00            | 4.00            |
| *Building and Site Development  | -   | -               | -               | -               | -               | -               | -               | 17.75           | 16.75           | 16.75           |
| Custodial & Maintenance         | 17.57   | 16.56           | 16.39           | 16.43           | 16.00           | 16.25           | 13.25           | 13.25           | 10.50           | 10.50           |
| Fleet Operations                | 38.23   | 38.43           | 37.43           | 33.51           | 31.50           | 31.45           | 28.40           | 28.40           | 25.55           | 25.90           |
| GIS Fund                        | 6.26  | 5.31            | 5.31            | 4.40            | 4.50            | 3.50            | -               | -               | -               | -               |
| Employee Benefit                | 6.84  | 7.05            | 6.15            | 6.15            | 5.15            | 4.00            | 4.00            | 4.00            | 3.00            | 3.00            |
| Information Technology          | 35.20   | 34.20           | 32.20           | 32.00           | 28.00           | 27.00           | 28.00           | 26.00           | 25.00           | 24.00           |
| Public Communications           | 18.50   | 14.40           | 13.40           | 10.90           | 8.75            | 10.75           | 10.75           | 11.75           | 11.75           | 11.75           |
| Office of Sustainability        | 0.00  | 0.00            | 0.00            | 1.00            | 1.25            | 1.00            | 1.00            | -               | -               | -               |
| <b>Business-Type Activities</b> |   |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Railroad                        | 3.00  | 3.00            | 4.00            | 4.00            | 4.00            | 4.00            | 4.00            | 5.00            | 5.00            | 5.00            |
| Transload                       | 3.00  | 3.00            | 3.00            | 3.00            | 0.00            | 0.00            | 0.00            | 0.00            | 0.00            | 0.00            |
| Water & Electric                | 286.29  | 282.75          | 271.75          | 266.75          | 259.60          | 252.60          | 249.60          | 246.60          | 239.60          | 238.60          |
| Recreation Services             | 33.34   | 34.59           | 34.25           | 34.25           | 34.25           | 34.25           | 34.25           | 36.25           | 36.25           | 36.25           |
| Public Works                    |   |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Public Transportation           | 51.95   | 52.36           | 41.36           | 40.67           | 39.20           | 37.80           | 37.75           | 37.75           | 38.80           | 34.79           |
| Airport                         | 18.65   | 18.15           | 17.15           | 17.40           | 17.25           | 17.20           | 17.20           | 17.20           | 16.20           | 16.20           |
| Sanitary Sewer                  | 86.42   | 83.02           | 80.52           | 81.39           | 80.35           | 76.97           | 73.10           | 64.47           | 61.87           | 58.87           |
| Parking Facilities              | 9.45  | 9.57            | 9.27            | 9.29            | 7.85            | 7.85            | 6.80            | 6.80            | 5.70            | 5.70            |
| Solid Waste                     | 109.27  | 106.21          | 94.71           | 93.02           | 92.90           | 87.95           | 85.90           | 84.73           | 84.68           | 83.68           |
| Stormwater Utility              | 8.41  | 8.47            | 6.47            | 6.49            | 6.40            | 6.40            | 6.40            | 11.55           | 12.46           | 12.46           |
| Utility Customer Services       | 18.20   | 15.40           | 14.30           | 14.30           | 14.00           | 12.00           | 12.00           | 12.00           | 12.00           | 12.00           |
| <b>Total</b>                    | <b>1,454.40</b>                                   | <b>1,417.80</b> | <b>1,385.00</b> | <b>1,366.15</b> | <b>1,334.85</b> | <b>1,310.95</b> | <b>1,297.95</b> | <b>1,278.45</b> | <b>1,249.45</b> | <b>1,221.84</b> |

Note: Information from City of Columbia Annual Budget adopted October 1, 2016

\*Community Development department includes:

- Planning
- Volunteer Services
- Neighborhood Programs
- Building and Site Development
- CDBG

Table 27

**City of Columbia, Missouri**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

| Function/Program                              | Fiscal year |         |         |         |         |         |         |         |         |         |
|---|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|   | 2016        | 2015    | 2014    | 2013    | 2012    | 2011    | 2010    | 2009    | 2008    | 2007    |
| <b>Police</b>                                 |             |         |         |         |         |         |         |         |         |         |
| Traffic Accidents Investigated                | 1,306       | 1,274   | 1,282   | 1,288   | 1,362   | 1,442   | 1,810   | 2,554   | 3,000   | 2,869   |
| Traffic Tickets Issued                        | 3,395       | 4,615   | 7,507   | 7,790   | 7,727   | 10,662  | 13,738  | 11,636  | 10,500  | 10,165  |
| Warning Tickets Issued                        | ***         | n/a     | 2,814   | 4,534   | 5,048   | 4,006   | 7,902   | 11,589  | 6,800   | 7,000   |
| Driving While Intoxicated Arrests             | 303         | 376     | 462     | 297     | 438     | 446     | 485     | 337     | 500     | 600     |
| <b>Fire</b>                                   |             |         |         |         |         |         |         |         |         |         |
| Fire Calls (All Types)                        | 365         | 338     | 317     | 343     | 579     | 337     | 360     | 331     | 425     | 365     |
| Rescue Calls                                  | 7,912       | 7,423   | 6,696   | 6,228   | 7,027   | 6,642   | 6,350   | 6,021   | 5,700   | 5,581   |
| <b>Sanitary Sewer Utility</b>                 |             |         |         |         |         |         |         |         |         |         |
| Average daily flow (millions of gallons)      | 16.5        | 17.3    | 15.4    | 14.1    | 12.7    | 15.4    | 19.7    | 15.5    | 16.4    | 16.2    |
| <b>Solid Waste Utility</b>                    |             |         |         |         |         |         |         |         |         |         |
| Tons of waste collected                       | 176,250     | 167,171 | 163,872 | 165,254 | 161,629 | 161,573 | 162,257 | 146,289 | 176,000 | 176,852 |
| Tons of recyclables collected                 | 16,070      | 13,173  | 10,671  | 10,433  | 10,347  | 10,388  | 9,482   | 9,025   | 8,976   | 8,800   |
| <b>Public Transportation</b>                  |             |         |         |         |         |         |         |         |         |         |
| Total Vehicle Miles-Fixed Route               | 888,938     | 821,838 | 800,897 | 740,369 | 736,078 | 693,548 | 653,955 | 640,736 | 755,870 | 755,870 |
| Total Vehicle Miles-Paratransit               | 337,158     | 394,628 | 200,728 | 293,972 | 274,602 | 186,311 | 168,153 | 167,968 | 138,922 | 113,324 |
| <b>Airport</b>                                |             |         |         |         |         |         |         |         |         |         |
| Number of Enplaned Passengers                 | 63,292      | 62,489  | 48,778  | 43,108  | 38,319  | 38,478  | 32,072  | 24,843  | 10,000  | 9,090   |
| <b>Parking Facilities</b>                     |             |         |         |         |         |         |         |         |         |         |
| Parking permits issued (surface & structures) | 2,523       | 2,584   | 2,503   | 2,089   | 1,976   | 2,046   | 1,427   | 1,635   | 1,635   | 1,635   |
| Metered & hourly spaces                       | 2,342       | 2,253   | 2,178   | 2,483   | 2,215   | 2,441   | 2,170   | 2,128   | 2,415   | 2,415   |
| <b>Other Public Works</b>                     |             |         |         |         |         |         |         |         |         |         |
| Street Segments Resurfaced/Repaired           | *           | 72      | 101     | 215     | 205     | 164     | 523     | 545     | 462     | 450     |
| Number of Permits Issued                      | *           | 1,532   | 1,352   | 2,221   | 2,333   | 1,997   | 3,033   | 5,326   | 2,528   | 9,500   |
| <b>Parks and Recreation</b>                   |             |         |         |         |         |         |         |         |         |         |
| Number of Athletic Fields Maintained          | 63          | 56      | 55      | 47      | 47      | 46      | 48      | 47      | 48      | 46      |
| Total Sq feet of Landscape Beds Maintained    | 691,025     | 657,052 | 640,263 | 625,223 | 595,562 | 592,672 | 518,344 | 523,000 | 550,873 | 489,973 |
| <b>Railroad</b>                               |             |         |         |         |         |         |         |         |         |         |
| Carloads                                      | 724         | 772     | 1,320   | 1,218   | 1,226   | 1,403   | 1,539   | 1,217   | 2,550   | 2,561   |
| <b>Water</b>                                  |             |         |         |         |         |         |         |         |         |         |
| Fire hydrants installed                       | 81          | 26      | 82      | 80      | 13      | 79      | 75      | 36      | 271     | 187     |
| Services/meters installed                     | 727         | 1,643   | 1,317   | 1,010   | 234     | 81      | 279     | 219     | 1,227   | 974     |
| <b>Electric</b>                               |             |         |         |         |         |         |         |         |         |         |
| New Distribution Transformers Installed       | 416         | 234     | 353     | 181     | 59      | 81      | 52      | 86      | 540     | 318     |
| Electric Meters Installed                     | 1,805       | 717     | 875     | 1,396   | 506     | 642     | 432     | 361     | 1,833   | 1,579   |
| Miles of Underground Lines Installed          | 14          | 10      | 21      | 14      | 7       | 6.65    | 4.02    | 8.13    | 31.40   | 11.26   |
| <b>Health &amp; Environment</b>               |             |         |         |         |         |         |         |         |         |         |
| Birth Certificates issued                     | 7,729       | 7,712   | 8,038   | 8,316   | 7,548   | 8,542   | 8,842   | n/a     | 3,600   | 3,600   |
| Death Certificates issued                     | **          | 6,994   | 9,173   | 9,037   | 10,526  | 10,585  | 11,716  | 10,755  | n/a     | n/a     |
| Immunizations                                 | 19,349      | 20,514  | 19,544  | 16,796  | 19,431  | 22,641  | 34,990  | 23,156  | 16,000  | 15,673  |
| WIC Visits                                    | 29,976      | 29,742  | 31,290  | 30,615  | 31,169  | 28,906  | 30,132  | 29,744  | 25,432  | 21,184  |
| Inspections                                   | 8,778       | 9,230   | 15,040  | 11,067  | 7,347   | 15,064  | 19,761  | 21,320  | 13,598  | 16,300  |

Note: Operating indicators provided by various City departments and budget document

\* Starting in 2015, numbers now reported by 12 foot lane miles for more accuracy.

\*\* # includes both certified copies made from original long form DC and computer generated short form

\*\*\* Starting in 2015, warning tickets are no longer issued.

n/a-information not available

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Table 28

## City of Columbia, Missouri

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS

| Function/Program                                      | Fiscal year |         |         |         |         |         |         |         |         |         |
|---|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|   | 2016        | 2015    | 2014    | 2013    | 2012    | 2011    | 2010    | 2009    | 2008    | 2007    |
| Police  |             |         |         |         |         |         |         |         |         |         |
| Stations  | 1           | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       |
| Substations   | 5           | 5       | 5       | 4       | 4       | 4       | 4       | 7       | 7       | 7       |
| Vehicles  | 106         | 107     | 100     | 97      | 97      | 98      | 111     | 103     | 103     | 101     |
| Fire  |             |         |         |         |         |         |         |         |         |         |
| Stations  | 9           | 9       | 9       | 9       | 9       | 9       | 9       | 8       | 8       | 8       |
| Vehicles  | 38          | 38      | 38      | 38      | 38      | 38      | 39      | 40      | 34      | 34      |
| Sanitary Sewer Utility                                |             |         |         |         |         |         |         |         |         |         |
| Collection system (total miles)                       | 714         | 707     | 697     | 695     | 698     | 684     | 683     | 665     | 637     | 607     |
| Solid Waste Utility                                   |             |         |         |         |         |         |         |         |         |         |
| Collection vehicles                                   | 50          | 48      | 45      | 45      | 45      | 44      | 44      | 44      | 44      | 44      |
| Public Transportation                                 |             |         |         |         |         |         |         |         |         |         |
| Buses-General Fixed Route                             | 19          | 11      | 19      | 25      | 25      | 21      | 17      | 19      | 14      | 13      |
| Buses-Campus Fixed Route                              | 12          | 17      | 11      | 9       | 9       | 9       | 13      | 10      | 15      | 10      |
| Buses-Paratransit                                     | 8           | 8       | 17      | 11      | 11      | 12      | 11      | 9       | 9       | 7       |
| Airport   |             |         |         |         |         |         |         |         |         |         |
| Pavement Surface (Square yards)                       | 473,449     | 473,449 | 470,949 | 468,020 | 464,950 | 464,950 | 464,950 | 464,950 | 464,950 | 464,950 |
| Parking Facilities                                    |             |         |         |         |         |         |         |         |         |         |
| Parking Structures                                    | 6           | 6       | 6       | 6       | 5       | 5       | 4       | 4       | 4       | 4       |
| Surface Lots-Permit                                   | 5           | 5       | 5       | 4       | 5       | 6       | 7       | 7       | 4       | 7       |
| Surface Lots-Meter                                    | 4           | 5       | 5       | 5       | 4       | 4       | 5       | 7       | 5       | 2       |
| Other Public Works                                    |             |         |         |         |         |         |         |         |         |         |
| * Streets (miles)                                     | 1,339       | 1,338   | 551     | 515     | 507     | 507     | 465     | 465     | 425     | 425     |
| Signalized Intersections                              | 47          | 47      | 47      | 45      | 43      | 42      | 39      | 40      | 37      | 37      |
| Parks and Recreation                                  |             |         |         |         |         |         |         |         |         |         |
| Pools   | 5           | 5       | 5       | 5       | 5       | 5       | 5       | 5       | 5       | 5       |
| Golf Courses (18 hole)                                | 2           | 2       | 2       | 2       | 2       | 2       | 2       | 2       | 2       | 2       |
| Athletic fields with lights and/or irrigation systems | 44          | 41      | 40      | 35      | 33      | 32      | 30      | 25      | 25      | 25      |
| Rec/Nature Centers                                    | 2           | 2       | 2       | 2       | 2       | 2       | 2       | 2       | 1       | 1       |
| Railroad  |             |         |         |         |         |         |         |         |         |         |
| Locomotives   | 2           | 2       | 2       | 2       | 2       | 2       | 2       | 2       | 2       | 2       |
| Miles of main track                                   | 21          | 21      | 21      | 21      | 21      | 21.3    | 21.31   | 21.34   | 21.34   | 21.34   |
| Water   |             |         |         |         |         |         |         |         |         |         |
| Water mains (miles)                                   | 700         | 695     | 689     | 682     | 671     | 668.57  | 664.25  | 662     | 648.7   | 635.44  |
| Electric  |             |         |         |         |         |         |         |         |         |         |
| Circuit Miles of Distribution Lines                   | 848         | 836     | 827     | 808     | 796     | 791.26  | 787.7   | 782     | 751.64  | 722     |

Note: Asset information provided by various City departments and budget document

\* Starting in 2015, numbers now reported by 12 foot lane miles for more accuracy.

## City of Columbia, Missouri

INSURANCE IN FORCE  
SEPTEMBER 30, 2016

City of Columbia - Property/Casualty Insurance Program  
Policy Period - October 1, 2015 to October 1, 2016

- I. Property/Inland Marine/Boiler and Machinery Coverages
- A. Insurance Provider – Factory Mutual Insurance Company (FM Global)
  - B. Best’s Rating is A+ XV and Admitted in Missouri
  - C. Policy # – 1005120
  - D. Annual Premium is \$793,936, plus \$29,093 TRIA Premium - Total Premium is \$823,029, less \$86,340 membership credit.
  - E. Coverages and Limits:
    1. \$550,000,000 Blanket Property Limit excess \$100,000 Retention
      - a. Power Plant Retention - \$250,000
      - b. Columbia Energy Center Retention - \$525,000
    2. Earth Movement - \$100,000,000 Aggregate Limit excess \$100,000 Retention; \$5,000,000 for Vehicles and Mobile Equipment
    3. Flood - \$100,000,000 Aggregate Limit excess \$100,000 Retention (excludes Zones A, B, and V);
      - a. \$500,000 Retention for locations 0002-WWTP, 0017-Hinkson Creek Substations, 0105-Production Wells #1-15 and 0127 Wetlands Effluent Pump Station
      - b. \$5,000,000 Limit for Vehicles and Mobile Equipment
      - c. \$1,000,000 Limit for Infrastructure property
    4. Debris Removal - \$5,000,000 Limit or 25% of the loss, whichever is greater, excess \$100,000 Retention
    5. Licensed Vehicles (Including Mobile Equipment) - \$10,000,000 Limit excess \$100,000 Retention (while on premises); Flood and earthquake limit is \$5,000,000
    6. EDP Equipment and Media - \$10,000,000 Limit excess \$100,000 Retention
    7. Extra Expense - \$5,000,000 Limit excess \$100,000 Retention
    8. Newly Acquired Property - \$10,000,000 Limit excess \$100,000 Retention
    9. Includes Boiler and Machinery Coverages
    10. Infrastructure property - \$5,000,000 not to exceed \$2,000,000 for bridges
- II. Excess Workers' Compensation
- A. Insurance Company-Safety National Casualty Corporation
  - B. Best’s Rating is A+ XIII and Admitted in Missouri
  - C. Policy # - SP4053824
  - D. Annual Premium is \$302,935
  - E. Work Comp-Statutory Limits
  - F. Employers Liability Limit - \$1,000,000
  - G. \$500,000 Self-Insured Retention, except \$750,000 SIR for Police, Fire and Electrical Workers
- III. Package Liability Program
- A. Insurance Provider - States Risk Retention Group
  - B. Administered by Berkley Risk - W.R. Berkley and admitted in Missouri
  - C. Policy # - SEL 3017804
  - D. Annual Premium is \$237,682
  - E. Coverages and Limits:
    1. \$3,000,000 Public Entity (Coverage A) limit of liability for any one occurrence covered under the policy
    2. \$3,000,000 Management Practices Liability (Coverage B) for any one occurrence covered under the policy
    3. \$10,000,000 maximum limit of liability (A and B) for damages for all occurrences covered under this policy
    4. Self-insurance retention of \$500,000 per occurrence applicable to Coverage A and B.
  - F. Coverages include General Liability, Public Officials Liability, Police Professional Liability, Products/Completed Operations Liability, Employment Practices Liability, Sexual Abuse Liability, Employee Benefits Liability, and Automobile Liability.
- IV. Crime Coverages
- A. Insurance Company – National Union Fire Ins Co of Pittsburgh, PA (AIG)
  - B. Best’s Rating is A XV and Admitted in Missouri
  - C. Policy # – 018198538
  - D. Annual Premium is \$6,241
  - E. Coverages include:
    1. Employee Dishonesty (Theft) - \$500,000 Limit
    2. Forgery or Alteration - \$500,000 Limit
    3. Inside the Premises - Theft of Money and Securities - \$500,000 Limit
    4. Inside the Premises - Robbery or Safe Burglary of Other Property - \$500,000 Limit
    5. Computer Fraud - \$500,000 Limit
    6. Fund Transfer Fraud (including Impersonation Fraud) - \$500,000 limit
    7. Money Orders and Counterfeit Fraud - \$500,000 Limit
    8. Credit, Debit or Charge Card Fraud- \$500,000 Limit
  - F. Deductible: \$25,000



## City of Columbia, Missouri

INSURANCE IN FORCE  
SEPTEMBER 30, 2016

- 
- V. Aviation Ground Operations Liability
- A. Insurance Company – Global Aerospace, Inc.
  - B. Best's Rating MGU/Pooled Carriers and Admitted in Missouri
  - C. Policy # – 14001082
  - D. Annual Premium is \$10,000 (includes TRIA)
  - E. Coverages include:
    - 1. General Liability - \$10,000,000 Limit Each Occurrence
    - 2. Products/Completed Operations - \$10,000,000 Aggregate Limit
    - 3. Personal and Advertising Injury - \$10,000,000 Aggregate Limit
    - 4. Personal Injury for Discrimination or Humiliation - \$1,000,000 Each Individual/Aggregate
    - 5. Incidental Medical Malpractice - \$10,000,000 Limit Each Occurrence/Aggregate
    - 6. Non-Owned Aircraft Liability - \$10,000,000 Limit Each Occurrence
    - 7. Hangarkeepers Liability - \$10,000,000 Each Aircraft/\$10,000,000 Occurrence
      - a. Deductible - \$1,000 Each Aircraft
    - 8. Excess Auto Liability - \$10,000,000 excess of \$3,000,000 scheduled underlying Automobile Liability
    - 9. Non-FAA Control Tower Operator - \$10,000,000 each occurrence; operation of control tower by Midwest ATC Services, Inc.
- VI. Health Department Professional Liability
- A. Insurance Company – Darwin Select Ins Co (AWAC)
  - B. Best's Rating is AXIV – Non-Admitted in Missouri
  - C. Policy # – 0309-7988
  - D. Annual Premium is \$8,924
  - E. Limits are \$1,000,000 Each Claim/\$3,000,000 Aggregate
    - 1. Professional Liability - \$1,000,000 Each Claim/\$3,000,000 Aggregate
    - 2. Sexual Misconduct Liability - \$1,000,000 Each Claim/\$3,000,000 Aggregate
  - F. Deductible - \$5,000 Each Claim
- VII. Railroad Liability
- A. Insurance Company –Liberty Surplus Insurance Corporation
  - B. Best's Rating is A XV and Non-Admitted in Missouri
  - C. Policy # – RRHV290905-4
  - D. Annual Premium is \$25,500 (No TRIA)
  - E. Limits are \$5,000,000 Any One Incident/\$10,000,000 Aggregate
  - F. \$25,000 Retention Per Claim
  - G. Claims Made Policy
- VIII. Railroad Rolling Stock
- A. Insurance Company – Hanover Insurance Company
  - B. Best's Rating is A XIV and Admitted in Missouri
  - C. Policy # – IHH968366503
  - D. Annual Premium is \$3,119 (No TRIA)
  - E. Coverages:
    - 1. \$400,000 Limit All Covered Property-Any One Occurrence-\$1,000 Deductible
      - a. SW120 Electromotive Div. GM Corp. 1200 HP Diesel – Electric RR Eng, S#4278-1-COLT
      - b. EMD Model GP-10, 1952 – HP: 1,750: Axles 4
- IX. Network Security & Privacy
- A. Insurance Company – National Union Fire Ins. Co. of Pittsburgh, PA (AIG)
  - B. Best's Rating is A XV and Admitted in Missouri
  - C. Policy # –01-817-80-48
  - D. Annual Premium is \$31,851
  - E. Claims Made Coverage
  - F. Retroactive Date: 10/1/2014
  - F. Coverages and Limits:
    - 1. Media Content - \$2,000,000, Retention \$25,000
    - 2. Security & Privacy Liability - \$2,000,000, Retention \$25,000
    - 3. Regulatory Action Defense - \$2,000,000, Retention \$25,000
    - 4. Event Management (Privacy Breach) - \$2,000,000, Retention \$50,000
    - 5. Cyber Extortion - \$2,000,000, Retention \$25,000
    - 6. Identity/Credit Monitoring - Covered expense for up to 1,000,000 Notified Individuals (outside the policy limit)

Note: Information from Division of Risk Management, City of Columbia

## APPENDIX C

### SUMMARY OF THE BOND ORDINANCE AND THE CONTINUING DISCLOSURE UNDERTAKING

#### SUMMARY OF THE BOND ORDINANCE

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

#### **Definitions**

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

**“Accountant”** means an independent certified public accountant or firm of certified public accountants.

**“Act”** means Article VI, Section 27 of the Missouri Constitution and Chapter 250 of the Revised Statutes of Missouri, as amended.

**“Authority”** means the State Environmental Improvement and Energy Resources Authority, a governmental instrumentality of the State of Missouri.

**“Authority Program Bonds”** means any bonds of the Authority heretofore or hereafter issued under the SRF Program, all or a portion of the proceeds of which are loaned to the City with respect to the System and pursuant to the SRF Program.

**“Average Annual Debt Service”** means the average of the Debt Service Requirements as computed for the then current and all future Fiscal Years.

**“Bond Counsel”** means Gilmore & Bell, P.C., Kansas City, Missouri, or other attorney or firm of attorneys with a nationally recognized standing in the field of municipal bond financing selected by the City.

**“Bond Payment Date”** means any date on which principal of or interest on any Bond is payable at the Maturity thereof or on any Interest Payment Date.

**“Bond Register”** means the books for the registration, transfer and exchange of Bonds kept at the office of the Paying Agent.

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

**“Bonds”** means the Sewerage System Revenue Bonds, Series 2017, of the City, in the aggregate principal amount of \$\_\_\_\_\_, authorized and issued pursuant to the Bond Ordinance.

**“Business Day”** means a day other than a Saturday, Sunday or holiday on which the Paying Agent is scheduled in the normal course of its operations to be open to the public for conduct of its banking operations.

**“Cede & Co.”** means Cede & Co., as nominee name of The Depository Trust Company, New York, New York, and any successor nominee with respect to the Bonds.

**“City”** means the City of Columbia, Missouri, and any successors or assigns.

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

**“Consultant”** means the Consulting Engineer, an Accountant or a registered municipal advisor.

**“Consulting Engineer”** means each independent engineer or engineering firm with experience in designing and constructing wastewater treatment, sanitary sewerage or water pollution control facilities, and retained by the City.

**“Continuing Disclosure Instructions”** means the Continuing Disclosure Undertaking dated the date set forth therein, the form of which is attached to the Bond Ordinance.

**“Debt Service Account”** means the Series 2017 Debt Service Account for the Bonds, created in the Bond Ordinance.

**“Debt Service Requirements”** means the aggregate principal payments (whether at maturity or pursuant to scheduled mandatory sinking fund redemption requirements) and net interest or interest-like payments (after taking into account any applicable Subsidy Payments) on all System Revenue Bonds for the period of time for which calculated; provided, however, that for purposes of calculating such amount, principal and interest shall be excluded from the determination of Debt Service Requirements to the extent that such principal or interest is payable from amounts deposited in trust, escrowed or otherwise set aside for the payment thereof with the Paying Agent or other commercial bank or trust company located in the State of Missouri and having full trust powers.

**“Debt Service Reserve Account Surety Bond”** means, any irrevocable insurance policy, letter of credit or surety bond satisfying the requirements described in the applicable Parity Ordinance which guarantees payments into the debt service reserve account for the applicable series of Parity Bonds or payment of the principal of and interest on the applicable series of Parity Bonds in an amount which, together with cash or Permitted Investments on deposit in the debt service reserve account for such Parity Bonds, is equal to the Debt Service Reserve Requirement for such Parity Bonds.

**“Debt Service Reserve Fund”** means the fund by that name ratified and confirmed by the Bond Ordinance.

**“Debt Service Reserve Requirement”** means (a) with respect to the Series 2009 Bonds, the lesser of \$937,988.92 or the maximum annual debt service on the Series 2009 Bonds outstanding at the time of calculation, (b) with respect to the Series 2012 Bonds, the lesser of \$550,070 or the maximum annual debt service on the Series 2012 Bonds outstanding at the time of calculation, (c) with respect to the Series 2015 Bonds, the sum of \$1,232,886.26, (d) with respect to the Bonds, the sum of \$\_\_\_\_\_, plus (e) with respect to any series of future Parity Bonds, the amount specified in the Ordinance authorizing such series of Parity Bonds.

**“Defaulted Interest”** means interest on any Bond which is payable but not paid on any Interest Payment Date.

**“Defeasance Obligations”** means any of the following obligations:

(a) United States Government Obligations that are not subject to redemption in advance of their maturity dates; or

(b) obligations of any state or political subdivision of any state, the interest on which is excluded from gross income for federal income tax purposes and which meet the following conditions:

(1) the obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

(2) the obligations are secured by cash or United States Government Obligations that may be applied only to principal of, premium, if any, and interest payments on such obligations;

(3) such cash and the principal of and interest on such United States Government Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the obligations;

(4) such cash and United States Government Obligations serving as security for the obligations are held in an escrow fund by an escrow agent or a trustee irrevocably in trust;

(5) such cash and United States Government Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and

(6) the obligations are rated in a rating category by Moody's or Standard & Poor's Ratings Group that is no lower than the rating category then assigned by that rating agency to United States Government Obligations.

**“Depreciation and Replacement Account”** means the account by that name ratified and confirmed by the Bond Ordinance.

**“DNR”** means the Missouri Department of Natural Resources.

**“Expenses”** means all reasonable and necessary expenses of operation, maintenance and repair of the System and keeping the System in good repair and working order (other than interest paid on System Revenue Bonds and depreciation and amortization charges during the period of determination), determined in accordance with generally accepted accounting principles, including without limiting the generality of the foregoing, current maintenance charges, expenses of reasonable upkeep and repairs, salaries, wages, costs of materials and supplies, Paying Agent fees and expenses, annual audits, periodic Consultant's reports, properly allocated share of charges for insurance, the cost of purchased water, gas and power, if any, obligations (other than for borrowed money or for rents payable under capital leases) incurred in the ordinary course of business, liabilities incurred by endorsement for collection or deposit of checks or drafts received in the ordinary course of business, short-term indebtedness incurred and payable within a particular fiscal year, other obligations or indebtedness incurred for the purpose of leasing (pursuant to a true or operating lease) equipment, fixtures, inventory or other personal property, and all other expenses incident to the operation of the System, but shall exclude all general administrative expenses of the City not related to the operation of the System.

**“Federal Tax Certificate”** means the Federal Tax Certificate dated as of the date set forth therein, delivered by the City, which sets forth certain facts, covenants, representations, and expectations relating to the use of Bond proceeds and the use of property financed or refinanced with those proceeds, and the investment

of the Bond proceeds and certain other related money in order to comply with the requirements of Code imposed on the Bonds.

**“Fiscal Year”** means the fiscal year of the City, currently October 1 to September 30.

**“Interest Payment Date”** means the Stated Maturity of an installment of interest on any Bond.

**“Maturity”** when used with respect to any Bond means the date on which the principal of such Bond becomes due and payable as therein and provided in the Bond Ordinance, whether at the Stated Maturity thereof or by call for redemption or otherwise.

**“Net Revenues”** means all Revenues less all Expenses.

**“Operation and Maintenance Account”** means the account by that name ratified and confirmed in the Bond Ordinance.

**“Outstanding,”** when used with reference to Bonds, means, as of any particular date of determination, all Bonds theretofore issued and delivered hereunder, except the following Bonds:

(a) Bonds theretofore cancelled by the Paying Agent or delivered to the Paying Agent for cancellation;

(b) Bonds deemed to be paid in accordance with the provisions of the Bond Ordinance; and

(c) Bonds in exchange for or in lieu of which other Bonds have been registered and delivered hereunder.

**“Outstanding Parity Bond Debt Service Reserve Account”** means the debt service reserve account for any Parity Bonds.

**“Parity Bonds”** means the Previously Issued Parity Bonds and any additional bonds or other obligations hereafter issued or incurred pursuant to the Bond Ordinance and standing on a parity and equality with the Bonds with respect to the payment of principal and interest from the Net Revenues of the System.

**“Parity Ordinances”** means the Previously Issued Parity Ordinances and the ordinance or ordinances under which any additional Parity Bonds are hereafter issued pursuant to the Bond Ordinance.

**“Participants”** means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

**“Paying Agent”** means UMB Bank, N.A., St. Louis, Missouri, and any successors and assigns.

**“Permitted Investments”** means any of the following securities and obligations, if and to the extent the same are at the time legal for investment of the moneys held in the funds and accounts listed in the Bond Ordinance.

(a) United States Government Obligations;

(b) certificates of deposit or time deposits, whether negotiable or nonnegotiable, issued by any bank or trust company organized under the laws of the United States or any state, provided that such certificates of deposit or time deposits shall be either (1) continuously and fully insured by the

Federal Deposit Insurance Corporation, or (2) continuously and fully secured by United States Government Obligations which shall have a market value, exclusive of accrued interest, at all times at least equal to the principal amount of such certificates of deposit or time deposits; and

(c) any other securities or investments that are lawful for the investment of moneys held in such funds or accounts under the laws of the State of Missouri.

**“Person”** means any natural person, corporation, partnership, firm, joint venture, association, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof or other public body.

**“Previously Issued Parity Bonds”** means, collectively, the Series 1999 Bonds, the Series 1999B Bonds, the Series 2000 Bonds, the Series 2002 Bonds, the Series 2003 Bonds, the Series 2004 Bonds, the Series 2006 Bonds, the Series 2007 Bonds, the Series 2009 Bonds, the Series 2010 Bonds, the Series 2012 Bonds, the Series 2013 Bonds and the Series 2015 Bonds.

**“Previously Issued Parity Ordinances”** means, collectively, the Series 1999 Ordinance, the Series 1999B Ordinance, the Series 2000 Ordinance, the Series 2002 Ordinance, the Series 2003 Ordinance, the Series 2004 Ordinance, the Series 2006 Ordinance, the Series 2007 Ordinance, the Series 2009 Ordinance, the Series 2010 Ordinance, the Series 2012 Ordinance, the Series 2013 Ordinance and the Series 2015 Ordinance.

**“Project”** means improving and extending the City’s sewerage system.

**“Project Fund”** means the fund by that name created in the Bond Ordinance.

**“Purchaser”** means \_\_\_\_\_, [City], [State], the original purchaser of the Bonds.

**“Rebate Fund”** means the fund by that name created in the Bond Ordinance.

**“Record Date”** for the interest payable on any Interest Payment Date means the 15th day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date.

**“Redemption Date”** when used with respect to any Bond to be redeemed means the date fixed for such redemption pursuant to the terms of the Bond Ordinance.

**“Redemption Price”** when used with respect to any Bond to be redeemed means the price at which such Bond is to be redeemed pursuant to the terms of the Bond Ordinance, including the applicable redemption premium, if any, but excluding installments of interest whose Stated Maturity is on or before the Redemption Date.

**“Replacement Bonds”** means Bonds issued to the beneficial owners of the Bonds in accordance with the Bond Ordinance.

**“Revenue Fund”** means the fund by that name ratified and confirmed in the Bond Ordinance.

**“Revenues”** means all income and revenues derived from the ownership and operation of the System, including investment and rental income, net proceeds from business interruption insurance, sales tax revenues which have been annually appropriated by the City or which are limited solely to the payment of improvements to or expenses of the System, and any amounts deposited in escrow in connection with the acquisition, construction, remodeling, renovation and equipping of System facilities to be applied during the period of determination to pay interest on System Revenue Bonds, but excluding any profits or losses on the early extinguishment of debt or on the sale or other disposition, not in the ordinary course of business, of investments or fixed or capital assets.

**“Securities Depository”** means, initially, The Depository Trust Company, New York, New York, and its successors and assigns.

**“Series 1999 Bonds”** means the Sewerage System Revenue Bonds (State Revolving Fund Program), Series 1999, of the City, in the aggregate principal amount of \$3,730,000, authorized and issued pursuant to the Series 1999 Ordinance.

**“Series 1999 Ordinance”** means Ordinance No. 016011 of the City passed on May 20, 1999, under which the Series 1999 Bonds were issued.

**“Series 1999B Bonds”** means the Sewerage System Revenue Bonds (State Revolving Fund Program), Series 1999B, of the City, in the aggregate principal amount of \$1,420,000, authorized and issued pursuant to the Series 1999B Ordinance.

**“Series 1999B Ordinance”** means Ordinance No. 016262 of the City passed on November 18, 1999, under which the Series 1999B Bonds were issued.

**“Series 2000 Bonds”** means the Sewerage System Revenue Bonds (State Revolving Fund Program), Series 2000, of the City, in the aggregate principal amount of \$2,445,000, authorized and issued pursuant to the Series 2000 Ordinance.

**“Series 2000 Ordinance”** means Ordinance No. 016647 of the City passed on November 2, 2000, under which the Series 2000 Bonds were issued.

**“Series 2002 Bonds”** means the Sewerage System Revenue Bonds (State Revolving Fund Program), Series 2002, of the City, in the aggregate principal amount of \$2,230,000, authorized and issued pursuant to the Series 2002 Ordinance.

**“Series 2002 Ordinance”** means Ordinance No. 017274 of the City passed on April 24, 2002, under which the Series 2002 Bonds were issued.

**“Series 2003 Bonds”** means the Sewerage System Revenue Bonds (State Revolving Fund Program), Series 2003, of the City, in the aggregate principal amount of \$3,620,000, authorized and issued pursuant to the Series 2003 Ordinance.

**“Series 2003 Ordinance”** means Ordinance No. 017634 of the City passed on April 2, 2003, under which the Series 2003 Bonds were issued.

**“Series 2004 Bonds”** means the Sewerage System Revenue Bonds (State Revolving Fund Program), Series 2004, of the City, in the aggregate principal amount of \$650,000, authorized and issued pursuant to the Series 2004 Ordinance.

**“Series 2004 Ordinance”** means Ordinance No. 018078 of the City passed on May 12, 2004, under which the Series 2004 Bonds were issued.

**“Series 2006 Bonds”** means the Sewerage System Revenue Bonds (State Revolving Fund Program), Series 2006, of the City, in the aggregate principal amount of \$915,000, authorized and issued pursuant to the Series 2006 Ordinance.

**“Series 2006 Ordinance”** means Ordinance No. 019272 of the City passed on October 16, 2006, under which the Series 2006 Bonds were issued.

**“Series 2007 Bonds”** means the Sewerage System Revenue Bonds (State Revolving Fund Program), Series 2007, of the City, in the aggregate principal amount of \$1,800,000, authorized and issued pursuant to the Series 2007 Ordinance.

**“Series 2007 Ordinance”** means Ordinance No. 019709 of the City passed on October 15, 2007, under which the Series 2007 Bonds were issued.

**“Series 2009 Bonds”** means the Taxable Sewerage System Revenue Bonds (Build America Bonds – Direct Subsidy), Series 2009, of the City, in the aggregate principal amount of \$10,405,000, authorized and issued pursuant to the Series 2009 Ordinance.

**“Series 2009 Ordinance”** means Ordinance No. 020420 of the City passed on September 21, 2009, under which the Series 2009 Bonds were issued.

**“Series 2010 Bonds”** means the Sewerage System Revenue Bonds (State of Missouri – Direct Loan Program - ARRA), Series 2010A, of the City, in the aggregate principal amount of \$58,030,645, authorized and issued pursuant to the Series 2010 Ordinance.

**“Series 2010 Ordinance”** means Ordinance No. 020519 of the City passed on January 4, 2010, under which the Series 2010 Bonds were issued.

**“Series 2012 Bonds”** means the Sewerage System Revenue Bonds, Series 2012, of the City, in the aggregate principal amount of \$9,365,000, authorized and issued pursuant to the Series 2012 Ordinance.

**“Series 2012 Ordinance”** means Ordinance No. 021268 of the City passed on March 19, 2012, under which the Series 2012 Bonds were issued.

**Series 2013 Bonds”** means the Sewerage System Refunding Revenue Bonds, Series 2013, of the City, in the aggregate principal amount of \$3,325,000, authorized and issued pursuant to the Series 2013 Ordinance.

**“Series 2013 Ordinance”** means Ordinance No. 021742 of the City passed on July 1, 2013, under which the Series 2013 Bonds were issued.

**“Series 2015 Bonds”** means the Sewerage System Revenue Bonds, Series 2015, of the City, in the aggregate principal amount of \$18,200,000, authorized and issued pursuant to the Series 2015 Ordinance.

**“Series 2015 Ordinance”** means Ordinance No. 022383 of the City passed on March 16, 2015, under which the Series 2015 Bonds were issued.

**“Special Record Date”** means the date fixed by the Paying Agent pursuant to the Bond Ordinance for the payment of Defaulted Interest.

**“SRF Program”** means the Missouri Leveraged State Water Pollution Control Revolving Fund Program of DNR and the Authority.

**“SRF Program Bonds”** means any System Revenue Bonds heretofore or hereafter issued in connection with the City’s participation in the SRF Program.

**“Stated Maturity”** when used with respect to any Bond or any installment of interest thereon means the date specified in such Bond and the Bond Ordinance as the fixed date on which the principal of such Bond or such installment of interest is due and payable.



**“Subsidy Payments”** means funds received (or with respect to **Section 902(b)** of the Bond Ordinance funds that are reasonably expected to be received) by the City that either (a) must be used or (b) have been used (or with respect to **Section 902(b)** of the Bond Ordinance are reasonably expected to be used) to reduce the interest or principal payments on System Revenue Bonds. Such Subsidy Payments would include, but are not limited to, payments received by the City through a federal or State of Missouri program.

**“Surplus Account”** means the account by that name ratified and confirmed by the Bond Ordinance.

**“System”** means the entire sewerage plant and system owned and operated by the City for the collection, treatment and disposal of sewage, to serve the needs of the City and its inhabitants and others, including all appurtenances and facilities connected therewith or relating thereto, together with all extensions, improvements, additions and enlargements thereto hereafter made or acquired by the City.

**“System Revenue Bonds”** means, collectively, the Bonds and all other revenue bonds or other obligations which are payable out of, or secured by an interest in, the Net Revenues of the System.

**“United States Government Obligations”** means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America, including evidences of a direct ownership interest in future interest or principal payments on obligations issued or guaranteed by the United States of America (including the interest component of obligations of the Resolution Funding Corporation).

**“Valuation Date”** means the first business day of each fiscal year of the System.

#### **Establishment of Funds and Accounts**

There are created and ordered to be established and maintained in the treasury of the City the following separate accounts to be known respectively as the:

- (a) Project Fund.
- (b) Revenue Fund.
- (c) Operation and Maintenance Account.
- (d) Debt Service Account- Series 2017 Bonds.
- (e) Debt Service Reserve Fund.
- (e) Depreciation and Replacement Account.
- (f) Surplus Account.
- (g) Rebate Fund.

The funds and accounts referred to in paragraphs (a) through (g) above shall be maintained and administered by the City solely for the purposes and in the manner as provided in the Act and in the Bond Ordinance and in the Previously Issued Parity Ordinances so long as any of the Bonds or the Previously Issued Parity Bonds remain outstanding within the meaning of the Bond Ordinance and said Previously Issued Parity Ordinances, respectively.

The City acknowledges the creation and continuing existence of the reserve accounts, debt service accounts, principal accounts and interest accounts established under the Previously Issued Parity Ordinances.

### **Application of Moneys in the Project Fund**

Money in the Project Fund shall be used solely for the purpose of (a) paying the cost of the Project as provided in the Bond Ordinance, in accordance with the plans and specifications therefor prepared by the City's Consultant for the Project, as approved by the Council of the City and on file in the office of the City Clerk, including any alterations in or amendments to said plans and specifications deemed advisable by the Consultant and approved by the Council of the City, and (b) paying the costs and expenses incident to the issuance of the Bonds.

Upon completion of the Project as hereinbefore provided, any surplus money remaining in the Project Fund and not required for the payment of unpaid costs thereof shall be deposited into the Debt Service Account.

### **Revenue Fund**

The City covenants and agrees that from and after the delivery of the Bonds, and continuing as long as any of the Bonds remain Outstanding under the Bond Ordinance, all of the Revenues derived and collected from the operation of the System shall as and when received be paid and deposited into the Revenue Fund. Said revenues shall be segregated and kept separate and apart from all other moneys, revenues, funds and accounts of the City and shall not be commingled with any other moneys, revenues, funds and accounts of the City. The Revenue Fund shall be administered and applied solely for the purposes and in the manner provided in the Bond Ordinance.

### **Application of Moneys in Fund and Accounts**

The City covenants and agrees that from and after the delivery of the Bonds and continuing so long as any of the Bonds shall remain Outstanding, it will administer and allocate all of the moneys then held in the Revenue Fund as follows:

- (a) *Operation and Maintenance Account.* On the 1<sup>st</sup> day of each month, there shall be paid and credited to the Operation and Maintenance Account an amount sufficient to pay the estimated Expenses during the ensuing month. All amounts paid and credited to the Operation and Maintenance Account shall be expended and used by the City solely for the purpose of paying the Expenses of the System.
- (b) *Debt Service Account.* On the 25<sup>th</sup> day of each month, there shall next be paid and credited to the Debt Service Account, to the extent necessary to meet on each Bond Payment Date the payment of all interest on and principal of the Bonds, the following sums:
  - (1) Beginning with the first of said deposits and continuing on the 25<sup>th</sup> day of each month thereafter to and including [September 25, 2017], an equal *pro rata* portion of the amount of interest becoming due on the Bonds on [October 1, 2017]; and thereafter, beginning on [October 25, 2017], and continuing on the 25<sup>th</sup> day of each month thereafter so long as the Bonds shall remain outstanding and unpaid, an amount not less than 1/6 of the amount of interest that will become due on the Bonds on the next succeeding Interest Payment Date; and
  - (2) Beginning with the first of said deposits and continuing on the 25<sup>th</sup> day of each month thereafter to and including [September 25, 2018], an equal *pro rata* portion of the amount of principal becoming due on the Bonds on [October 1, 2018]; and thereafter, beginning on [October 25, 2018], and continuing on the first day of each month thereafter so long as the Bonds shall remain outstanding and unpaid, an

amount not less than 1/12 of the amount of principal that will become due on the Bonds on the next succeeding Maturity.

The amounts required to be paid and credited to the Debt Service Account pursuant to the Bond Ordinance shall be made at the same time and on a parity with the amounts at the time required to be paid and credited to the debt service accounts established for the payment of principal and interest on Parity Bonds under the provisions of the Parity Ordinances.

If at any time the moneys in the Revenue Fund are insufficient to make in full the payments and credits at the time required to be made to the Debt Service Account and to the debt service accounts established to pay the principal of and interest on any Parity Bonds, the available moneys in the Revenue Fund shall, unless otherwise directed by the Previously Issued Parity Ordinances, be divided among such debt service accounts in proportion to the respective principal amounts of said series of bonds at the time outstanding which are payable from the moneys in said debt service accounts.

All amounts paid and credited to the Debt Service Account shall be expended and used by the City for the sole purpose of paying the interest on and principal of the Bonds as and when the same become due on each Bond Payment Date.

- (c) *Debt Service Reserve Fund.* Except as provided in the Bond Ordinance, all amounts paid and credited to the Debt Service Reserve Fund shall be expended and used by the City solely to prevent any default in the payment of interest on or principal of the Bonds on any Maturity date or Interest Payment Date if the moneys in the Debt Service Fund are insufficient to pay the interest on or principal of said Bonds as they become due. After all payments and credits required at the time to be made under the provisions of paragraphs (a) and (b) above have been made, and upon the determination that the amount on deposit in the Debt Service Reserve Fund is less than the Debt Service Reserve Requirement, there shall next be paid and credited to the Debt Service Reserve Fund each month an amount equal to 1/12<sup>th</sup> of said shortfall until the amount on deposit in said Fund shall aggregate the Debt Service Reserve Requirement. So long as the Debt Service Reserve Fund aggregates the Debt Service Reserve Requirement, no further payments into said Fund shall be required, but if the City is ever required to expend and use a part of the moneys in said Fund for the purpose authorized in the Ordinance and such expenditure reduces the amount of said Fund below the Debt Service Reserve Requirement, the City shall resume and continue said monthly payments into said Fund until said Fund shall again aggregate the Debt Service Reserve Requirement.

The amounts required to be paid and credited to the Debt Service Reserve Fund pursuant to the Bond Ordinance shall be made at the same time and on a parity with the amounts at the time required to be paid and credited to the debt service reserve funds established for the Parity Bonds under the provisions of any Parity Ordinance.

Moneys in the Debt Service Reserve Fund may be used to call the Bonds for redemption and payment prior to their Stated Maturity, provided all of the Bonds at the time Outstanding are called for payment and funds are available to pay the same according to their terms. Moneys in the Debt Service Reserve Fund shall be used to pay and retire the last Outstanding Bonds unless such Bonds and all interest thereon are otherwise paid. Any amounts in the Debt Service Reserve Fund in excess of the Debt Service Reserve Requirement on any valuation date shall be transferred to the Debt Service Fund.

If at any time the moneys in the Revenue Fund are insufficient to make in full the payments and credits at the time required to be made to the Debt Service Reserve Fund and to the debt service reserve funds established to protect the payment of any Parity Bonds, the available

moneys in the Revenue Fund shall be divided among such debt service reserve funds in proportion to the respective principal amounts of said series of bonds at the time outstanding which are payable from the moneys in such debt service reserve funds.

- (d) *Depreciation and Replacement Account.* Certain deposits are required to be made into such Depreciation and Replacement Account under the ordinances authorizing the Previously Issued Parity Bonds. Except as provided in the Bond Ordinance, moneys in the Depreciation and Replacement Account shall be expended and used by the City, if no other funds are available therefor, solely for the purpose of making unusual or extraordinary replacements and repairs in and to the System as may be necessary to keep the System in good repair and working order and to assure the continued effective and efficient operation thereof, including replacing or repairing portions of the System or major items of any plant or equipment which either have been fully depreciated and are worn out or have become obsolete, inefficient or uneconomical. No moneys in said Account shall be used for the purpose of extending or enlarging the System.
- (e) *Surplus Account.* After all payments and credits required at the time to be made under the provisions of paragraphs (a), (b), (c) and (d) above have been made, all moneys remaining in the Revenue Fund shall be paid and credited to the Surplus Account. Moneys in the Surplus Account may be expended and used for the following purposes as determined by the Council of the City:
- (1) Paying Expenses of the System to the extent that may be necessary after the application of the moneys held in the Operation and Maintenance Account under the provisions of paragraph (a) of above;
  - (2) Paying the cost of extending, enlarging or improving the System;
  - (3) Preventing default in, anticipating payments into or increasing the amounts in the debt service accounts or debt service reserve accounts for System Revenue Bonds or the Depreciation and Replacement Account, or any one of them, said payments made to prevent default to be made in the order prescribed in the Bond Ordinance or in the applicable sections of ordinances authorizing additional System Revenue Bonds hereafter issued, or establishing or increasing the amount of any debt service account or debt service reserve account created by the City for the payment of any additional System Revenue Bonds;
  - (4) Calling, redeeming and paying prior to Stated Maturity, or, at the option of the City, purchasing in the open market at the best price obtainable not exceeding the redemption price (if any bonds are callable), any System Revenue Bonds, including principal, interest and redemption premium, if any; or
  - (5) Any other lawful purpose in connection with the operation of the System and benefitting the System.

So long as any of the Bonds remain Outstanding, no moneys derived from the operation of the System shall be diverted to the general governmental or municipal functions of the City.

- (f) *Deficiency of Payments into Accounts.* If at any time the revenues derived from the operation of the System are insufficient to make any payment on the date or dates specified in the Bond Ordinance, the City will make good the amount of such deficiency by making additional payments or credits out of the first available revenues thereafter received from the operation

of the System, such payments and credits being made and applied in the order specified in the Bond Ordinance.

### **Payments Due on Saturdays, Sundays and Holidays**

In any case where a Bond Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Bond Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such Bond Payment Date.

### **Nonpresentment of Bonds**

If any Bond is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Bond have been made available to the Paying Agent all liability of the City to the Registered Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the Registered Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under the Bond Ordinance or on, or with respect to, said Bond. If any Bond is not presented for payment within one year following the date when such Bond becomes due at Maturity, the Paying Agent shall repay to the City the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the City, and the Registered Owner thereof shall be entitled to look only to the City for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the City shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

### **Application of Moneys in the Rebate Fund**

There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Federal Tax Certificate. All money in the Rebate Fund shall be held in trust, to the extent required to satisfy the Rebate Amount (as defined in the Federal Tax Certificate), for payment to the United States of America, and neither the City nor the Registered Owner of any Bond shall have any rights in or claim to such money.

### **Deposit and Investment of Moneys**

Money in each of the funds and accounts created by and referred to in the Bond Ordinance shall be deposited in a bank or banks located in the State of Missouri that are members of the Federal Deposit Insurance Corporation. All such deposits shall be continuously and adequately secured by the banks holding such deposits as provided by the laws of the State of Missouri.

Moneys held in any fund or account held in the custody of the City referred to in the Bond Ordinance may be invested in Permitted Investments; provided, however, that no such investment shall be made for a period extending longer than the date when the moneys invested may be needed for the purpose for which such fund or account was created. All earnings on any investments held in any fund or account shall accrue to and become a part of such fund or account. In determining the amount held in any fund or account under any of the provisions of the Bond Ordinance, obligations shall be valued at the lower of the cost or the market value thereof; provided, however, that the investments held in the Debt Service Reserve Fund shall be valued at market value only. If and when the amount held in any fund or account shall be in excess of the amount required by the provisions of the Bond Ordinance, the City shall direct that such excess be paid and credited to the Revenue Fund.

## **Efficient and Economical Operation**

The City will continuously own and will operate the System as a revenue producing facility in an efficient and economical manner and will keep and maintain the same in good repair and working order at a reasonable cost. The City will establish and maintain such rules and regulations for the use of the System as may be necessary to assure maximum utilization and most efficient operation of the System.

## **Rate Covenant**

The City will fix, establish, maintain and collect such rates and charges for the use and services furnished by or through the System as will produce Revenues sufficient to (a) pay the Expenses of the System; (b) pay the principal of and interest on the System Revenue Bonds as and when the same become due; and (c) provide reasonable and adequate reserves for the payment of the System Revenue Bonds and the interest thereon and for the protection and benefit of the System as provided in the Bond Ordinance. The City further covenants and agrees that such rates and charges will be sufficient to enable the City to have in each Fiscal Year Net Revenues not less than an amount equal to the sum of (i) 110% of the Debt Service Requirements for such Fiscal Year, provided that interest on any System Revenue Bonds will be reduced by the Subsidy Payments, if any, and (ii) the amount then owed to the issuer of any Debt Service Reserve Account Surety Bond in connection with any amount drawn thereon or required to replenish any Outstanding Parity Bond Debt Service Reserve Account as required by the related Parity Ordinance. The City will require the prompt payment of accounts for service rendered by or through the System and will promptly take whatever action is legally permissible to enforce and collect delinquent charges. The City will, from time to time as often as necessary, in accordance with and subject to applicable legal requirements, revise the rates and charges aforesaid in such manner as may be necessary or proper so that the Net Revenues will be sufficient to cover the obligations of the City under this paragraph and otherwise under the provisions of the Bond Ordinance. If for any two consecutive Fiscal Years Net Revenues shall be an amount less than as hereinbefore provided, the City will immediately employ a Consultant to make recommendations with respect to such rates and charges. A copy of the Consultant's report and recommendations shall be filed with the City Clerk and with the Underwriter of the Bonds and shall be furnished to any Registered Owner of the Bonds requesting a copy of the same, at the cost of such Registered Owner. The City shall, to the extent feasible, follow the recommendations of the Consultant.

## **Restrictions on Mortgage or Sale of System**

The City will not mortgage, pledge or otherwise encumber the System or any part thereof, nor will it sell, lease or otherwise dispose of the System or any material part thereof; provided, however, the City may:

- (a) sell at fair market value any portion of the System which has been replaced by other similar property of at least equal value, or which ceases to be necessary for the efficient operation of the System, and in the event of sale, the City will apply the proceeds to either (1) redemption of Outstanding Bonds in accordance with the provisions governing repayment of Bonds in advance of Stated Maturity, or (2) replacement of the property so disposed of by other property the revenues of which shall be incorporated into the System as provided in the Bond Ordinance;
- (b) cease to operate, abandon or otherwise dispose of any property which has become obsolete, nonproductive or otherwise unusable to the advantage of the City; or
- (c) lease, (1) as lessor, any real or personal property which is unused or unimproved, or which has become obsolete, nonproductive or otherwise unusable to the advantage of the City, or which is being acquired as a part of a lease/purchase financing for the acquisition and/or improvement of such property; and/or (2) as lessee, with an option of the City to purchase, any real or personal property for the extension and improvement of the System. Property

being leased as lessor and/or lessee pursuant to this subparagraph (c) shall not be treated as part of the System for purposes of the Bond Ordinance and may be mortgaged, pledged or otherwise encumbered.

### **Insurance**

The City will carry and maintain insurance with respect to the System and its operations against casualties, contingencies and risks (including but not limited to property and casualty, fire and extended coverage insurance upon all of the properties forming a part of the System insofar as the same are of an insurable nature, public liability insurance, business interruption insurance, worker's compensation and employee dishonesty insurance), such insurance to be of the character and coverage and in such amounts as would normally be carried by other municipalities or public entities engaged in similar activities of comparable size and similarly situated. In the event of loss or damage, the City, with reasonable dispatch, will use the proceeds of such insurance in reconstructing and replacing the property damaged or destroyed, or in paying the claims on account of which such proceeds were received, or if such reconstruction or replacement is unnecessary or impracticable, then the City will pay and deposit the proceeds of such insurance into the Revenue Fund. The City will annually review the insurance it maintains with respect to the System to determine that such insurance is customary and adequate to protect its property and operations. The cost of all insurance obtained pursuant to the requirements of this provision of the Bond Ordinance shall be paid as an Expense out of the Revenues.

### **Annual Budget**

Prior to the commencement of each Fiscal Year, the City will cause to be prepared and filed with the City Clerk a budget setting forth the estimated receipts and expenditures of the System for the next succeeding Fiscal Year. The City Clerk, promptly upon the filing of said budget in the City Clerk's office, will mail a copy of said budget to the original Purchaser of the Bonds.

### **Annual Audit**

Annually, promptly after the end of the Fiscal Year, the City will cause an audit to be made of the System for the preceding Fiscal Year by a certified public accountant or firm of certified public accountants to be employed for that purpose and paid from the revenues of the System. Said annual audit shall cover in reasonable detail the operation of the System during such Fiscal Year.

Within 30 days after the completion of each such audit, a copy thereof shall be filed in the office of the City Clerk, and a duplicate copy of said audit shall be mailed to the Purchaser of the Bonds. Such audits shall at all times during the usual business hours be open to the examination and inspection by any taxpayer, any user of the services of the System, any Registered Owner of any of the Bonds, or by anyone acting for or on behalf of such taxpayer, user or Registered Owner. A copy of any such audit will, upon request and upon receipt by the City of payment of the reasonable cost of preparing and mailing the same, be sent to any Bondowner or prospective Bondowner.

As soon as possible after the completion of the annual audit, the governing body of the City shall review such audit, and if any audit shall disclose that proper provision has not been made for all of the requirements of the Bond Ordinance, the City will promptly cure such deficiency and will promptly proceed to increase the rates and charges to be charged for the use and services furnished by the System as may be necessary to adequately provide for such requirements.

## **Tax Covenants**

The City covenants that (1) it will comply with all applicable provisions of the Code, including Sections 103 and 141 through 150, necessary to maintain the exclusion from federal gross income of the interest on the Bonds, and (2) it will not use or permit the use of any proceeds of the Bonds or any other funds of the City, nor take or permit any other action, or fail to take any action, which would adversely affect the exclusion from federal gross income of the interest on the Bonds. The City will also pass such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with all other applicable future law in order to ensure that the interest on the Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the City.

The City covenants and agrees that (1) it will use the proceeds of the Bonds as soon as practicable for the purposes for which the Bonds are issued, and (2) it will not invest or directly or indirectly use or permit the use of any proceeds of the Bonds or any other funds of the City in any manner, or take or omit to take any action, that would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Code.

The City covenants that it will pay or provide for the payment from time to time of all arbitrage rebate to the United States pursuant to Section 148(f) of the Code and the Federal Tax Certificate. This covenant shall survive payment in full or defeasance of the Bonds. The Federal Tax Certificate may be amended or replaced if, in the opinion of Bond Counsel, such amendment or replacement will not adversely affect the exclusion from federal gross income of the interest on the Bonds.

The City covenants that it will not use any portion of the proceeds of the Bonds, including any investment income earned on such proceeds, directly or indirectly, in a manner that would cause any Bond to be a “private activity bond” within the meaning of Section 141 of the Code.

## **Senior Lien Bonds**

The City covenants and agrees that so long as any of the Bonds remain Outstanding, the City will not issue any additional bonds or incur or assume any other debt obligations appearing as liabilities on the balance sheet of the City for the payment of moneys determined in accordance with generally accepted accounting principles including capital leases as defined by generally accepted accounting principles, payable out of the net income and revenues of the System or any part thereof which are superior to the Bonds.

## **Parity Lien Bonds**

The City covenants and agrees that so long as any of the Bonds remain Outstanding, it will not issue any Parity Bonds payable out of the Net Revenues of the System or any part thereof which stand on a parity or equality with the Bonds (“Parity Bonds”) unless the following conditions are met:

(1) The City is not in default in the payment of principal or interest on the Bonds or any Parity Bonds or in making any deposit into the funds and accounts under the Bond Ordinance or any Parity Ordinance; and

(2) The City provides a certificate showing either of the following:

(A) the average annual Net Revenues as set forth in the two most recent annual audits for Fiscal Years preceding the issuance of additional bonds, are at least equal to the sum of (i) 110% of the Average Annual Debt Service on the System Revenue Bonds, including the additional bonds proposed to be issued, to be paid out of the Net Revenues in all succeeding Fiscal Years (interest to be paid on any System Revenue Bonds will be reduced by Subsidy Payments, if any) and (ii) the amount then owed to the issuer of any Debt Service Reserve Account Surety Bond in connection with any amount drawn thereon. If the City has



made any increase in rates for the use and services of the System and the increase has not been in effect during all of the two Fiscal Years for which annual audits are available, the City may add the additional Net Revenues which would have resulted if the rate increase had been in effect for the entire period to the audited Net Revenues, as certified by the Consultant; or

(B) The estimated average annual Net Revenues for the two Fiscal Years immediately following the issuance of the additional bonds or, if improvements are to be made to the System with the proceeds of the additional bonds, for the two Fiscal Years immediately following the Fiscal Year in which the improvements to the System being financed by the additional bonds are to be in commercial operation, as certified by the Consultant, is at least equal to the sum of (i) 110% of the average annual debt service on the System Revenue Bonds, including the additional bonds proposed to be issued, to be paid out of the Net Revenues in succeeding Fiscal Years following the commencement of commercial operation of the improvements (interest to be paid on any System Revenue Bonds will be reduced by Subsidy Payments, if any) and (ii) the amount then owed to the issuer of any Debt Service reserve Account Surety Bond in connection with any amount drawn thereon. In determining the amount of estimated Net Revenues available for debt service for the purpose of this subsection, the Consultant may adjust the estimated net income and revenues by adding the estimated increase in Net Revenues resulting from any increase in rates for the use and services of the System approved by the City and to become effective during the two Fiscal Years immediately following the Fiscal Year in which the improvements to the System being financed by the additional bonds are to be in commercial operation; and

(C) the City complies with the provisions of any Parity Ordinances relating to the issuance of Parity Bonds; and

(D) if any amounts are past due and owing to the issuer of any Debt Service Reserve Account Surety Bond with respect to a draw thereon, the issuer of such Debt Service Reserve Account Surety Bonds shall have consented in writing to the issuance of such additional revenue bonds or other obligations on a parity with the Bonds.

### **Junior Lien Bonds and Other Obligations**

Nothing shall prohibit or restrict the right of the City to issue additional revenue bonds or other revenue obligations for any lawful purpose in connection with the operation of the facility and benefiting the System and to provide that the principal of and interest on said revenue bonds or obligations shall be payable out of the revenues of the System, provided at the time of the issuance of such additional revenue bonds or obligations the City is not in default in the performance of any covenant or agreement contained in the Bond Ordinance (unless such additional revenue bonds or obligations are being issued to provide funds to cure such default), and provided further that such additional revenue bonds or obligations shall be junior and subordinate to the Bonds so that if at any time the City shall be in default in paying either interest on or principal of the Bonds, or if the City is in default in making any payments required to be made by it under the provisions of the Bond Ordinance, the City shall make no payments of either principal of or interest on said junior and subordinate revenue bonds or obligations until said default or defaults be cured. In the event of the issuance of any such junior and subordinate revenue bonds or obligations, the City, subject to the provisions aforesaid, may make provision for paying the principal of and interest on said revenue bonds or obligations out of moneys in the Revenue Fund.

### **Refunding Bonds**

The City shall have the right, without complying with the provisions of the Bond Ordinance, to refund any of the Bonds or any Parity Bonds under the provisions of any law then available in a manner which provides present value debt service savings, and the refunding bonds so issued shall enjoy complete equality of

pledge with any of the Bonds or the Parity Bonds which are not refunded, if any, upon the revenues of the System.

### **Acceleration of Maturity Upon Default**

The City covenants and agrees that if it defaults in the payment of the principal of or interest on any of the Bonds as the same become due on any Bond Payment Date, or if the City or its governing body or any of the officers, agents or employees thereof fail or refuse to comply with any of the provisions of the Bond Ordinance or of the constitution or statutes of the State of Missouri, and such default continues for a period of 60 days after written notice specifying such default has been given to the City by the Registered Owner of any Bond then Outstanding, then, at any time thereafter and while such default continues, the Registered Owners of 25% in principal amount of the Bonds then Outstanding may, by written notice to the City filed in the office of the City Clerk or delivered in person to said City Clerk, declare the principal of all Bonds then Outstanding to be due and payable immediately, and upon any such declaration given as aforesaid, all of said Bonds shall become and be immediately due and payable, anything in the Bond Ordinance or in the Bonds contained to the contrary notwithstanding. This provision, however, is subject to the condition that if at any time after the principal of said Outstanding Bonds has been so declared to be due and payable, all arrears of interest upon all of said Bonds, except interest accrued but not yet due on such Bonds, and all arrears of principal upon all of said Bonds has been paid in full and all other defaults, if any, by the City under the provisions of the Bond Ordinance and under the provisions of the statutes of the State of Missouri have been cured, then and in every such case the Registered Owners of a majority in principal amount of the Bonds then Outstanding, by written notice to the City given as specified in the Bond Ordinance may rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent default or impair any rights consequent thereon.

### **Other Remedies**

The provisions of the Bond Ordinance, including the covenants and agreements contained in the Bond Ordinance, shall constitute a contract between the City and the Registered Owners of the Bonds, and the Registered Owner or Owners of not less than 10% in principal amount of the Bonds at the time Outstanding shall have the right for the equal benefit and protection of all Registered Owners of Bonds similarly situated:

- (a) by mandamus or other suit, action or proceedings at law or in equity to enforce the rights of such Registered Owner or Owners against the City and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of the Bond Ordinance or by the Constitution and laws of the State of Missouri;
- (b) by suit, action or other proceedings in equity or at law to require the City, its officers, agents and employees to account as if they were the trustees of an express trust; and
- (c) by suit, action or other proceedings in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the Registered Owners of the Bonds.

### **Limitation on Rights of Bondowners**

No one or more Bondowners secured shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for in the Bond Ordinance, or to enforce any right under the Bond Ordinance, except in the manner provided in the Bond Ordinance, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Registered Owners of such Outstanding Bonds.

## **No Obligation to Levy Taxes**

Nothing contained in the Bond Ordinance shall be construed as imposing on the City any duty or obligation to levy any taxes either to meet any obligation incurred in the Bond Ordinance or to pay the principal of or interest on the Bonds.

## **Defeasance**

When any or all of the Bonds or the interest payments thereon have been paid and discharged, then the requirements contained in the Bond Ordinance and the pledge of revenues made under the Bond Ordinance and all other rights granted shall terminate with respect to the Bonds so paid and discharged. Bonds or the interest payments thereon shall be deemed to have been paid and discharged within the meaning of the Bond Ordinance if there has been deposited with the Paying Agent or other commercial bank or trust company located in the State of Missouri and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said Bonds, in trust for and irrevocably appropriated thereto, money and/or Defeasance Obligations which, together with the interest to be earned thereon, will be sufficient for the payment of the principal or Redemption Price of said Bonds, and/or interest to accrue on such Bonds to the Stated Maturity or Redemption Date, as the case may be, or if default in such payment shall have occurred on such date, then to the date of the tender of such payments.

## **Amendments**

The Continuing Disclosure Instructions are exempt from the provisions of the Bond Ordinance and are subject to amendment and modification only as provided therein. The rights and duties of the City and the Bondowners, and the terms and provisions of the Bonds or of the Bond Ordinance, may be amended or modified at any time in any respect by ordinance of the City with the written consent of the Registered Owners of not less than a majority in principal amount of the Bonds then Outstanding, such consent to be evidenced by an instrument or instruments executed by such Registered Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the City Clerk, but no such modification or alteration shall:

- (a) extend the maturity of any payment of principal or interest due upon any Bond;
- (b) effect a reduction in the amount which the City is required to pay by way of principal of or interest on any Bond;
- (c) permit the creation of a lien on the revenues of the System prior or equal to the lien of the Bonds or Parity Bonds;
- (d) permit preference or priority of any Bonds over any other Bonds; or
- (e) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of the Bond Ordinance.

Any provision of the Bonds or of the Bond Ordinance may, however, be amended or modified by ordinance duly adopted by the governing body of the City at any time in any respect with the written consent of the Registered Owners of all of the Bonds at the time Outstanding.

Without notice to or the consent of any Bondowners, the City may amend or supplement the Bond Ordinance for the purpose of curing any formal defect, omission, inconsistency or ambiguity therein or in connection with any other change therein which is not materially adverse to the security of the Bondowners.

## SUMMARY OF THE CONTINUING DISCLOSURE UNDERTAKING

*The following is a summary of certain provisions of the Continuing Disclosure Undertaking. The following is not a comprehensive description, however and is qualified in its entirety by reference to the Continuing Disclosure Undertaking for a full recital of the provisions thereof.*

### Definitions

In addition to the definitions set forth in the Bond Ordinance, which apply to any capitalized term used in the Continuing Disclosure Undertaking unless otherwise defined below, the following capitalized terms have the following meanings:

**“Annual Report”** means any Annual Report provided by the City pursuant to, and as described in, the Continuing Disclosure Undertaking.

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

**“EMMA”** means the Electronic Municipal Market Access system for municipal securities disclosures.

**“Material Events”** means any of the events listed in the Continuing Disclosure Undertaking.

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

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

**“Repository”** means the MSRB.

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

### Provision of Annual Reports

The City shall, not later than the final day of the sixth month following the end of the City’s fiscal year, beginning with the City’s fiscal year ending September 30, 2017, provide to the MSRB, through EMMA, the following financial information and operating data (the **“Annual Report”**):

(1) The audited financial statements of the City for the prior fiscal year prepared in accordance with the accounting principles described in the notes to the financial statements included as part of the Official Statement for the Bonds and audited by its independent auditors (or if not available as of such date, the unaudited financial statements of the City and as soon thereafter as available such audited financial statements of the City); and

(2) To the extent not otherwise included in the City’s audited financial statements, updates as of the end of the fiscal year of the financial information and operating data contained in **Appendix A** to the final Official Statement for the Bonds in substantially the scope and form contained

in such Appendix in the tables labeled or identified as follows, which information may be contained in the audited financial statements of the City or any schedules supplemental thereto:

- A. All of the tables under the heading “**FINANCIAL INFORMATION CONCERNING THE CITY**” but *excluding* the tables under the subheadings “**Employee Retirement Pension Plans,**” “**Funding for Police and Fire Pension**” and “**Annual Pension Cost.**”
- B. The information contained in the table “**Summary of Operations for Sewer Fund**” under the heading “**FINANCIAL INFORMATION CONCERNING THE SYSTEM.**”
- C. The information contained in the table “**Historical Debt Service Coverage**” under the heading “**SYSTEM**” for the most recently ended fiscal year (located in the body of the Official Statement).

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

In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section; *provided* that the audited financial statements of the City may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the City’s fiscal year changes, it shall give notice of such change in the same manner as for a Material Event.

### **Reporting of Material Events**

Pursuant to the provisions of the Continuing Disclosure Undertaking, the City shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Bonds, if material (“**Material Events**”):

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

- (14) appointment of a successor or additional trustee or the change of name of the trustee, if material.

If the City has not submitted the Annual Report to the MSRB by the date required above, the City shall send a notice to the MSRB of the failure of the City to file on a timely basis the Annual Report.

### **Termination of Reporting Obligation**

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

### **Designated Agents**

The City may, from time to time, appoint or designate one or more agents (each, a "designated agent") to submit Annual Reports, Material Event notices, and other notices or reports with the MSRB.

### **Amendment; Waiver**

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

In the event of any amendment or waiver of a provision of the Continuing Disclosure Undertaking, the City shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given in the same manner as for a Material Event, 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.

### **Additional Information**

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

**Default**

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

## APPENDIX D

### BOOK-ENTRY ONLY SYSTEM

*The following information concerning DTC and DTC's Book-Entry Only System has been obtained from sources that the City believes to be reliable, but is not guaranteed as to accuracy or completeness by and is not to be construed as a representation by the City, the Paying Agent or the Underwriter. The City, the Paying Agent and the Underwriter make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners will act in accordance with the procedures described above or in a timely manner.*

**General.** The Bonds are available in book-entry only form. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds. Ownership interests in the Bonds will be available to purchasers only through a book-entry system (the **"Book-Entry System"**) maintained by The Depository Trust Company (**"DTC"**), New York, New York.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. The following discussion will not apply to any Bonds issued in certificate form due to the discontinuance of the DTC Book Entry Only System, as described below.

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

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



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

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

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

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

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

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

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

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed, registered in the name of DTC's partnership nominee, Cede & Co. (or such other name as may be requested by an authorized

representative of DTC), and delivered to DTC (or a successor securities depository), to be held by it as securities depository for Direct Participants. If, however, the system of book-entry-only transfers has been discontinued and a Direct Participant has elected to withdraw its Bonds from DTC (or such successor securities depository), Bond certificates may be delivered to Beneficial Owners in the manner described in the Bond Ordinance.

***RESPONSIBILITY OR OBLIGATIONS TO SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE PARTICIPANTS, THE INDIRECT PARTICIPANTS, OR THE BENEFICIAL OWNERS.***

***THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE CITY AND THE UNDERWRITER BELIEVE TO BE RELIABLE, BUT THE CITY AND THE UNDERWRITER TAKE NO RESPONSIBILITY FOR THE ACCURACY THEREOF, AND NEITHER THE PARTICIPANTS NOR THE BENEFICIAL OWNERS SHOULD RELY ON THE FOREGOING INFORMATION WITH RESPECT TO SUCH MATTERS BUT SHOULD INSTEAD CONFIRM THE SAME WITH DTC OR THE PARTICIPANTS, AS THE CASE MAY BE.***