

**NEW ISSUE
BOOK ENTRY ONLY**

**S&P RATING: “___”
See “RATING” herein.**

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the City, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”), the interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is (1) excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax, and (2) exempt from income taxation by the State of Missouri. The Bonds have not been designated as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code. Bond Counsel notes that interest on the Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. See “TAX MATTERS” in this Official Statement.



CITY OF COLUMBIA, MISSOURI

\$39,765,000*

**SPECIAL OBLIGATION BONDS
SERIES 2026**

Dated: Date of Issuance

Due: October 1, as shown on inside cover page

The Bonds will be issued as fully-registered bonds in denominations of \$5,000 or any integral multiple thereof under the book-entry system maintained by The Depository Trust Company, New York, New York (“DTC”). Principal of the Bonds will be payable annually on October 1 as set forth on the inside cover page of this Official Statement. The Bonds will bear interest from their dated date at the rates per annum as shown on the inside cover page. Interest on the Bonds (computed on the basis of a 360-day year consisting of twelve 30-day months) will be payable semi-annually on each April 1 and October 1, commencing April 1, 2027.

The Bonds and the interest thereon will constitute special obligations of the City payable solely from amounts appropriated in each fiscal year (1) out of the income and revenues of the City provided for such fiscal year, plus (2) any unencumbered balances from previous years. The City is not obligated to make any such annual appropriation. The Bonds do not constitute general obligations or indebtedness of the City within the meaning of any constitutional, statutory or charter limitation or provision, and the City does not pledge its full faith and credit and is not obligated to levy taxes or resort to any other moneys or property of the City to pay the principal of and interest on the Bonds. The fiscal year of the City begins on each October 1 and ends on September 30.

The Bonds are being issued for the purpose of providing funds to pay costs of (1) the Project (as defined herein), and (2) issuing the Bonds. See the section captioned “**PLAN OF FINANCING.**”

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

The Bonds are subject to certain risks. See the section captioned “**RISK FACTORS.**”

The Bonds are offered when, as and if issued by the City and accepted by the Underwriter, subject to the approval of validity by Gilmore & Bell, P.C., St. Louis, Missouri, Bond Counsel to the City, and subject to certain other conditions. Bond Counsel will also pass upon certain matters relating to this Official Statement. Columbia Capital Management, LLC is serving as financial advisor to the City on this transaction. It is expected that the Bonds will be available for delivery through the facilities of DTC in New York, New York on or about October 14, 2026.

The date of this Official Statement is September __, 2026.

* Preliminary; subject to change.

\$39,765,000*
CITY OF COLUMBIA, MISSOURI
SPECIAL OBLIGATION BONDS
SERIES 2026

MATURITY SCHEDULE*

Base CUSIP: _____

<u>Maturity October 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>CUSIP</u>
2027	\$3,145,000			
2028	3,310,000			
2029	3,475,000			
2030	3,655,000			
2031	3,845,000			
2032	4,040,000			
2033	4,250,000			
2034	4,465,000			
2035	4,680,000			
2036	4,900,000			

* Preliminary; subject to change.

CITY OF COLUMBIA, MISSOURI

701 East Broadway
Columbia, Missouri 65205
(573) 874-2489

CITY OFFICIALS

Mayor

Barbara Buffaloe

Council Members⁽¹⁾

Valerie Carroll	Christina Hartman
Vera Elwood	Betsy Peters
Jacque Sample	

Administrative Officials

De'Carlton Seewood, City Manager
Nancy Thompson, City Counselor
Sheela Amin, City Clerk
Matthew Lue, Director of Finance

CERTIFIED PUBLIC ACCOUNTANTS

Allen, Gibbs & Houlik, L.C.
Overland Park, Kansas

BOND AND DISCLOSURE COUNSEL

Gilmore & Bell, P.C.
St. Louis, Missouri

FINANCIAL ADVISOR

Columbia Capital Management, LLC
Merriam, Kansas

PAYING AGENT

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

⁽¹⁾ There is a vacancy in Ward 4 for the City Council as of the date hereof.

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.

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

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

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

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

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

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OFFICIAL STATEMENT

\$39,765,000*
CITY OF COLUMBIA, MISSOURI
SPECIAL OBLIGATION BONDS
SERIES 2026

INTRODUCTION

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

Purpose of the Official Statement

The purpose of this Official Statement is to furnish information relating to (1) the City of Columbia, Missouri (the “City”) and (2) the City’s Special Obligation Bonds, Series 2026 (the “Bonds”), to be issued in the aggregate principal amount of \$39,765,000*.

The City

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

The Bonds

The Bonds are being issued pursuant to an ordinance expected to be adopted by the City Council of the City on September 21, 2026, as supplemented by a final terms certificate (together, the “Bond Ordinance”) for the purpose of providing funds to pay costs of (1) the Project (as defined herein), and (2) issuing the Bonds. See **“PLAN OF FINANCING.”**

Security and Source of Payment

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

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

* Preliminary; subject to change.

The Bonds do not constitute general obligations or indebtedness of the City within the meaning of any constitutional, statutory or charter limitation or provision, and the City does not pledge its full faith and credit and is not obligated to levy taxes or resort to any other moneys or property of the City to pay the principal of and interest on the Bonds. The fiscal year of the City begins on each October 1 and ends on September 30 (each a “Fiscal Year”).

See “**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, 2025, are included in the City’s Annual Comprehensive Financial Report in *Appendix B* to this Official Statement. These financial statements have been audited by Allen, Gibbs & Houlik, L.C., 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, 6700 Antioch, Suite 250, Merriam, Kansas 66204, by calling (913) 312-8072, 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 “**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 authorized pursuant to and in full compliance with the Constitution and statutes of the State, the City’s Charter and the Bond Ordinance. The Bonds are being issued to pay costs of (1) the Project, and (2) issuing the Bonds.

The Project

The Project consists of improving the City’s electric and water metering infrastructure by implementing an Advanced Metering Infrastructure (AMI) Project, including the replacement of meters, installation of an AMI network, and software integrations. These improvements will modernize the City’s current electric and water meter infrastructure by replacing over 50,000 electric meters and replacing or retrofitting over 50,000 water meters with solid-state meters and advanced technology designed to improve billing accuracy, outage detection, conservation initiatives and customer access to utility data. All meters will be equipped with AMI transmitters

with enhanced two-way functionality established through new Meter Data Management Software and integration with the City's current software billing system.

The estimated cost to construct the Project is approximately \$42,000,000 based upon an ASHRAE Level 3 Investment Grade Audit (IGA) conducted by Ameresco, Inc. dated July 15, 2026. The IGA projects the revenue increase to the water and electric utilities and operational cost savings from implementing the Project will be \$3,957,285 in Year 1 and more than \$71,000,000 over a 15-year performance period. Future year revenue increases and operational cost savings after Year 1 are subject to escalation assumptions for both rates and costs during the performance period.

Commencement of the Project [*began*] in September 2026 and is expected to be completed within three years.

Sources and Uses of Funds

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

Sources of Funds:

Proceeds of the Bonds	\$
Original Issue Premium	
Total.....	<u>\$</u>

Uses of Funds:

Project Costs	\$
Costs of Issuance (including Underwriter's Discount).....	
Total.....	<u>\$</u>

THE BONDS

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

General Description

The Bonds are being issued in the original principal amount of \$39,765,000*. The Bonds shall consist of fully registered bonds, numbered from 1 upward in order of issuance, with the number on each Bond preceded by the letter "R," in denominations of \$5,000 or any integral multiple thereof. The Bonds shall be dated the date of original issuance and delivery thereof, shall become due in the amounts on the Stated Maturities set forth on the inside cover page of this Official Statement, subject to redemption and payment prior to their Stated Maturities as provided in the Bond Ordinance, and shall bear interest at the rates shown on the inside cover page of this Official Statement (computed on the basis of a 360-day year of twelve 30-day months) from the date thereof or from the most recent date to which interest has been paid or duly provided for, payable on April 1 and October 1 of each year (each an "Interest Payment Date"), beginning on April 1, 2027.

* Preliminary; subject to change.

Method and Place of Payment of Bonds

The principal or Redemption Price of each Bond will be paid at Maturity by check, electronic transfer or draft to the person in whose name such Bond is registered (the “Registered Owner”) at the Maturity thereof, upon presentation and surrender of such Bond at the principal corporate trust office of UMB Bank, N.A., as paying agent (the “Paying Agent”).

The interest payable on each Bond on any Interest Payment Date shall be paid to the Registered Owner of such Bond as shown on the books for the registration, transfer and exchange of Bonds kept at the payment office designated by the Paying Agent (the “Bond Register”) on the 15th day (whether or not a business day) of the calendar month next preceding an Interest Payment Date (the “Record Date”) for such interest by check or draft mailed by the Paying Agent to such Registered Owner at the address shown on the Bond Register or by electronic transfer to such Registered Owner upon written notice signed by such Registered Owner and given to the Paying Agent not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank, address, ABA routing number and account number to which such Registered Owner wishes to have such transfer directed and an acknowledgment that an electronic transfer fee may be applicable.

Redemption Provisions

At the option of the City, the Bonds or portions thereof maturing on October 1, 2035 and thereafter may be called for redemption and payment prior to their Stated Maturity on October 1, 2034 and thereafter as a 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 fixed for such redemption pursuant to the terms of the Bond Ordinance (the “Redemption Date”).

Selection of Bonds to be Redeemed

The Paying Agent shall call Bonds for redemption and payment and shall give notice of such redemption as provided in the Bond Ordinance upon receipt by the Paying Agent at least 45 days prior to the Redemption Date of the City’s written instructions specifying the principal amount, Stated Maturities, Redemption Date and Redemption Prices of the Bonds to be called for redemption. The Paying Agent may in its discretion waive such notice period so long as the notice requirements set forth in the Bond Ordinance are met.

The Bonds shall be redeemed only in the principal amount of \$5,000 or any integral multiple thereof. Bonds of less than a full Stated Maturity shall be selected by the Paying Agent in \$5,000 units of principal amount by lot or in such other equitable manner as the Paying Agent may determine.

In the case of a partial redemption of Bonds at the time Outstanding in denominations greater than \$5,000, then for all purposes in connection with such redemption each \$5,000 of face value shall be treated as though it were a separate Bond of the denomination of \$5,000. If it is determined that one or more, but not all, of the \$5,000 units of face value represented by any Bond are selected for redemption, then upon notice of intention to redeem such \$5,000 unit or units, the Registered Owner of such Bond or the Registered Owner’s duly authorized agent shall present and surrender such Bond to the Paying Agent (1) for payment of the Redemption Price and interest to the Redemption Date of such \$5,000 unit or units of face value called for redemption, and (2) for exchange, without charge to the Registered Owner thereof, for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond. If the Registered Owner of any such Bond fails to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the Redemption Date to the extent of the \$5,000 unit or units of face value called for redemption (and to that extent only).

Notice and Effect of Call for Redemption

Unless waived by any Registered Owner of Bonds to be redeemed, official notice of any redemption shall be given by the Paying Agent on the City's behalf by mailing a copy of an official redemption notice by first class mail at least 30 days prior to the Redemption Date to each Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register.

All official notices of redemption shall be dated and shall contain the following information: (1) the Redemption Date; (2) the Redemption Price; (3) if less than all Outstanding Bonds are to be redeemed, the identification number of each Bond being redeemed, Stated Maturity and, in the case of partial redemption of any Bonds, the respective principal amounts of the Bonds to be redeemed; (4) a statement that on the Redemption Date the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the Redemption Date; and (5) the place where such Bonds are to be surrendered for payment of the Redemption Price, which shall be the principal payment office of the Paying Agent.

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

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall become due and payable on the Redemption Date at the Redemption Price therein specified, and from and after the Redemption Date (unless the City defaults in the payment of the Redemption Price) such Bonds or portion of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with such notice, the Redemption Price of such Bonds shall be paid by the Paying Agent. Installments of interest due on or prior to the Redemption Date shall be payable as provided in the Bond Ordinance for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Registered Owner a new Bond or Bonds of the same Stated Maturity in the amount of the unpaid principal as provided in the Bond Ordinance. All Bonds that have been redeemed shall be cancelled and destroyed by the Paying Agent as provided in the Bond Ordinance and shall not be reissued.

The failure of any Registered Owner to receive the foregoing notice or any defect therein shall not invalidate the effectiveness of the call for redemption.

Registration, Transfer and Exchange of Bonds

The City will cause the Bond Register to be kept at the office of the Paying Agent for the registration, transfer and exchange of Bonds as provided in the Bond Ordinance.

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

Any additional costs or fees that might be incurred in the secondary market, other than fees of the Paying Agent, are the responsibility of the Registered Owners of the Bonds. In the event any Registered Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Registered Owner sufficient to pay any governmental charge required to be paid as a result of such failure.

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

Book-Entry Only System

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

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

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

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

The City intends to annually budget and appropriate net revenues generated from its water and electric system to pay debt service on the Bonds. Those revenues are not pledged as security for the payment of the Bonds, and there can be no assurance that the City will appropriate funds for payment of the Bonds. See “**THE WATER AND ELECTRIC SYSTEM**” in *Appendix A*.

RISK FACTORS

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

Limited Obligations

The Bonds do not give rise to a general obligation or other indebtedness of the City, the State, or any other political subdivision thereof within the meaning of any constitutional, statutory or charter debt limitation or provision.

The Bonds are special obligations of the City payable solely from the funds appropriated annually by the City for that purpose. In each fiscal year, payments of principal of and interest on the Bonds shall be made solely from the amounts appropriated therefor (1) out of the income and revenues of the City provided for such year plus (2) any unencumbered balances for previous years, and the decision whether to make such appropriation each year shall be within the sole discretion of the then-current City Council. Subject to the preceding sentence, the obligations of the City to make payments under the Bond Ordinance and to perform and observe any other covenant and agreement contained in the Bond Ordinance shall be absolute and unconditional.

If the City fails to appropriate amounts sufficient to pay the principal of and interest on the Bonds in any fiscal year, no other funds or property will be available to pay such principal and interest. No property of the City is pledged or encumbered, nor has any reserve fund been established, to secure payment of the Bonds.

The City has declared its current intention and expectation to appropriate funds to pay the Bonds. However, such a declaration cannot be construed as contractually obligating or otherwise binding the City. Accordingly, the likelihood that the City will appropriate funds to timely pay the Bonds is dependent upon certain factors that are beyond the control of the Registered Owners, including the demographic conditions within the City and the City's ability to generate sufficient taxes, user fees and charges, and other revenues to pay the Bonds and the City's other obligations.

No Credit Enhancement or Reserve Fund

No bond insurance policy, letter of credit, reserve fund or other credit enhancement will be issued to insure payment of the principal of or interest on the Bonds. Accordingly, any potential purchaser of the Bonds should consider the financial ability of the City to make the payments of principal of and interest on the Bonds.

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 issuance of the Bonds will be qualified as they relate to the enforceability of the various legal instruments by reference to the limitations on enforceability of those instruments under (1) applicable bankruptcy, insolvency, reorganization or similar laws affecting the enforcement of creditors' rights, (2) general principles of equity, and (3) the exercise of judicial discretion in appropriate cases.

Amendment of the Bond Ordinance

Certain amendments to the Bond Ordinance may be made without the consent of or notice to the owners of the Bonds, other amendments may be made with the consent of the owners of not less than a majority in principal amount of the Bonds then outstanding, and other amendments may be made with the consent of the owners of all the Bonds then outstanding. Such amendments may adversely affect 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. Registered 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 Registered 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 redemption, nor are the interest rates on the Bonds 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 Bond is or was includible in the gross income of the Registered Owner of a Bond for federal income tax purposes. Such determination may, however, result in a breach of the City's tax covenants set forth in the Bond Ordinance, which may constitute a default under the Bond Ordinance. Likewise, the Bond Ordinance does not require the redemption of the Bonds or the adjustment of interest rates on the Bonds if the interest thereon loses its exemption from income taxes imposed by the State. ***It may be that Registered Owners 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.***

Other Factors Affecting the City

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

1. *Changes in Administration.* Changes in key administrative personnel could affect the capability of management of the City.
2. *Future Economic Conditions.* Adverse economic conditions or changes in demographics in the City, including increased unemployment and inability to control expenses in periods of inflation, could adversely impact the City's financial condition.
3. *Insurance Claims.* Increases in the cost of general liability insurance coverage and the amounts paid in settlement of liability claims not covered by insurance could adversely impact the City's financial condition.
4. *Natural Disasters.* The occurrence of natural disasters, such as floods, droughts, tornadoes or earthquakes, could damage the facilities of the City, interrupt services or otherwise impair operations and the ability of the City to produce revenues.
5. *Organized Labor Efforts.* Efforts to organize employees of the City into collective bargaining units could result in adverse labor actions or increased labor costs.

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 Redemption

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. 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.

Cybersecurity

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

Potential Impact of Public Health Emergencies

Regional, national or global public health emergencies, such as the outbreak of the novel coronavirus in December 2019 (“**COVID-19**”), could have materially adverse regional, national or global economic and social impacts causing, among other things, the promulgation of local or state orders limiting certain activities, extreme fluctuations in financial markets and contraction in available liquidity, prohibitions of gatherings and public meetings in such places as entertainment venues, extensive job losses and declines in business activity across important sectors of the economy, impacts on supply chain and availability of resources, declines in business and consumer confidence that negatively impact economic conditions or cause an economic recession. The City cannot predict the extent to which its operations or financial condition may decline nor the amount of increased costs, if any, that may be incurred by the City associated with operating during any public health emergencies including, but not limited to, the amount of (1) increases in required services of the City, (2) costs to clean, sanitize and maintain its facilities, (3) costs to hire additional and/or substitute employees, (4) costs to acquire supporting goods and services, or (5) costs to operate remotely and support the employees of the City. Accordingly, the City cannot predict the effect any public health emergencies will have on the finances or operations of the City or whether any such effects will have a material adverse effect on the ability to support payment of debt service on the Bonds.

BASIC DOCUMENTATION

The City expects to pass 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 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., St. Louis, Missouri, Bond Counsel.

TAX MATTERS

The following is a summary of the material federal and State 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, 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 to the City, under the law existing as of the issue date of the Bonds:

Federal and State 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.

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

Bank Qualification. The Bonds have not been designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”).

Bond Counsel’s opinions are provided as of the date of the original issue of the Bonds, subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The City has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal and State 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 is the excess of the stated redemption price at maturity of a Bond over its issue price. The stated redemption price at maturity of a Bond is the sum of all payments on the Bond other than “qualified stated interest” (i.e., interest unconditionally payable at least annually at a single fixed rate). The issue price of a Bond is generally the first price at which a substantial amount of the Bonds of that maturity have been sold to the public. Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis. The amount of original issue discount that accrues to an owner of a Bond during any accrual period generally equals (1) the issue price of that Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that Bond during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner’s tax basis in that Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount, if any.

Original Issue Premium. For federal income tax purposes, premium is the excess of the issue price of a Bond over its stated redemption price at maturity. The stated redemption price at maturity of a Bond is the sum of all payments on the Bond other than “qualified stated interest” (i.e., interest unconditionally payable at least annually at a single fixed rate). The issue price of a Bond is generally the first price at which a substantial amount of the Bonds of that maturity have been sold to the public. Under Section 171 of the Code, premium on tax-exempt bonds amortizes over the term of the Bond using constant yield principles, based on the

purchaser's yield to maturity. As premium is amortized, the owner's basis in the Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Bond prior to its maturity. Even though the owner's basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium, if any.

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 actually or constructively 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, certain applicable corporations subject to the corporate alternative minimum tax, 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.

Bond Counsel notes that interest on the Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax.

RATING

S&P Global Ratings, a division of S&P Global Inc. ("S&P"), has assigned the Bonds the rating of "_____" (Stable Outlook). A rating reflects only the view of the rating agency at the time the rating is given, and the City and the Financial Advisor make no representation as to the appropriateness of the rating or that such rating will not be changed, suspended or withdrawn. S&P has relied on the City and others for the accuracy and completeness of the information submitted in connection with the rating. The rating is not a "market" rating nor a recommendation to buy, hold or sell the Bonds. The rating may be changed, suspended or withdrawn as a result of changes in, or unavailability of, information. Any downward revision, suspension or withdrawal of a rating could have an adverse effect on the market price and marketability of the Bonds.

CONTINUING DISCLOSURE

The City will enter into the Continuing Disclosure Undertaking to assist the Underwriter (defined herein) in complying with Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”) and to provide certain financial information and operating data relating to the City and to provide notices of the occurrence of certain enumerated events relating to the Bonds. The financial information, operating data and notice of events will be filed in compliance with Rule. The City is the only “obligated person” with responsibility for continuing disclosure. Included in *Appendix C* of this Official Statement is a summary of the Continuing Disclosure Undertaking. Such summary of the Continuing Disclosure Undertaking does not purport to be complete and is qualified in its entirety by reference thereto.

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

MISCELLANEOUS

Financial Statements

Audited financial statements of the City as of and for the Fiscal Year ended September 30, 2025, are included in *Appendix B*. These financial statements have been audited by Allen, Gibbs & Houlik, L.C., Overland Park, Kansas, 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, Merriam, Kansas, has acted as Financial Advisor to the City in connection with the sale of the Bonds. 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 September 23, 2026, 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 underwriter’s discount of \$_____ and plus an 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 City Manager, acting on behalf of the City, will furnish to the Underwriter a certificate which shall state, among other things, that to the best knowledge and belief of such officer, this Official Statement (and any amendment or supplement hereto) as of the date of sale and as of the date of delivery of the Bonds does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements herein, in light of the circumstances under which they were made, not misleading in any material respect.

The form of this Official Statement, and its distribution and use by the Underwriter has been approved by the City. Neither the City nor any of its 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: _____
City Manager

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 63 square miles and has a current estimated population of approximately 130,913.

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 has a Council-Manager, non-partisan form of government that 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 Council appoints the City Manager, who serves as the chief executive and administrative officer of the City and is responsible to the City Council for the proper administration of all of the City’s affairs. The City Manager is responsible for appointing all department heads and for directing the operations of the City in accordance with policies set by the City Council.

The current Mayor and City Council members are as follows⁽¹⁾:

<u>Elected Officials</u>	<u>Service Began</u>	<u>Current Term Expires (April)</u>
Barbara Buffaloe, Mayor	2022	2028
Valerie Carroll, Ward 1 Council Member	2026	2029
Vera Elwood, Ward 2 Council Member	2024	2027
Jacque Sample, Ward 3 Council Member	2025	2028
Christina Hartman, Ward 5 Council Member	2026	2029
Betsy Peters, Ward 6 Council Member	2015	2027

⁽¹⁾ There is currently a vacancy in Ward 4.

The City Manager is De’Carlon Seewood. Mr. Seewood began serving as City Manager in January 2022 and previously served as Deputy City Manager since 2019. His prior experience includes serving as the city manager for the City of Ferguson, Missouri from 2015 to 2019, the village manager for the Village of Richton Park, Illinois from 2009 to 2015, the city manager for the City of Berkley, Missouri from 2007 to 2009 and the assistant city manager for the City of Ferguson, Missouri from 2001 to 2007.

The Director of Finance is Matthew Lue. He began serving as Director of Finance on November 4, 2019. Mr. Lue began his career in finance with Children’s Mercy Hospital in 2006 as the treasury accountant and was named the treasury analyst in 2010. In April 2015, Mr. Lue was selected as the finance director for the City of Warrensburg, Missouri, where he worked until being hired by the City. Mr. Lue earned a Bachelor of Business in Finance at the University of Central Missouri (formerly Central Missouri State University) in 2006 and earned his MBA in Healthcare Administration in 2013 from Avila University in Kansas City, Missouri.

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

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. In 2025, over 35,000 students were enrolled in these institutions of higher education during the regular school year. The City is also a regional medical center with seven hospitals. Insurance is a major business operation in the City; it is the location for the home offices of Shelter Insurance Company, Columbia Insurance Group and a regional office for State Farm Insurance Company. Columbia is a regional shopping area for central Missouri with 12 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 the City a fairly stable employment base. The unemployment rate in Columbia was approximately 3.1% in April of 2026 (according to the U.S. Department of Labor, Bureau of Labor Statistics), which was below the national average of approximately 4.0% in April of 2026.

The following table sets forth employment figures for the Columbia, Missouri Metropolitan Statistical Area (the "Columbia MSA") for the years 2023 through 2026:

<u>Average For Year</u>	<u>Total Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployment Rate</u>
2023	113,131	110,097	3,034	2.7%
2024	113,281	109,652	3,629	3.2
2025 ⁽¹⁾	114,944	110,985	3,959	3.4
2026 ⁽²⁾	117,367	113,894	3,473	3.0

⁽¹⁾ Annual estimates for 2025 are 11-month averages that exclude October. Data for October 2025 were not collected due to the federal government shutdown.

⁽²⁾ Preliminary as of April 2026; not an annualized figure.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Listed below are the major employers located in the City:

<u>Major Employers</u>	<u>Type of Business</u>	<u>Number of Employees</u>
1. University of Missouri – Columbia	Education	9,998
2. University Hospital and Clinics	Medical	8,103
3. Columbia Public Schools	Education	3,014
4. Veterans United Home Loans	Lender	2,847
5. Truman Veterans Hospital	Medical	2,074
6. City of Columbia	Government	1,653
7. Boone Hospital Center	Medical	1,400
8. Shelter Insurance	Insurance	1,115
9. Hubbell Power Systems	Electronic Products	675
10. EquipmentShare	Equipment and Tool Rentals	618

Source: Annual Comprehensive Financial Report, Fiscal Year 2025.

General Demographic Statistics

The following table sets forth statistical information for the City for the fiscal years 2020 through 2024, the latest years for which such information is available:

<u>Year</u>	<u>Estimated Population</u>	<u>Median Age</u>	<u>Personal Income (Millions of Dollars)</u>	<u>Per Capita Personal Income</u>
2020	126,254	28.8	\$6,409.54	\$50,767
2021	126,850	29.2	6,797.00	53,583
2022	128,545	28.8	7,020.87	54,618
2023	129,328	29.2	7,674.06	59,338
2024	130,913	30.4	7,997.28	61,088

Source: Annual Comprehensive Financial Report, Fiscal Year 2025.

Building Permits

The following table sets forth statistical information regarding the number and estimated valuation of building permits within the City at fiscal year-end for the past five years:

<u>Year</u>	<u>Commercial Construction</u>		<u>Residential Construction</u>	
	<u>Number of Permits</u>	<u>Estimated Valuation</u>	<u>Number of Permits</u>	<u>Estimated Valuation</u>
2021	45	\$ 72,737,033	434	\$140,643,480
2022	38	86,174,496	361	133,548,737
2023	20	29,819,923	227	94,300,548
2024	41	128,571,268	364	155,588,635
2025	52	53,833,142	227	141,631,321

Source: Annual Comprehensive Financial Report, Fiscal Year 2025.

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.

Debt Summary

(as of 12/31/2025)	2025 Assessed Valuation:	\$2,924,714,555
	2025 Estimated Actual Valuation:	\$15,922,347,680
	Population (Estimated):	130,913
	Total Outstanding General Obligation Debt:	\$0
	Overlapping General Obligation Debt: ⁽¹⁾	\$236,398,068
	Direct and Overlapping General Obligation Debt:	\$236,398,068
	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:	8.08%
	Ratio of Direct and Overlapping Debt to Estimated Actual Valuation:	1.48%
	Per Capita Direct and Overlapping Debt:	\$1,806

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

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Other Long-Term Obligations of the City

Revenue Bonds. As of the date of issuance of the Bonds, the City has the following outstanding revenue bonds payable solely from the revenues of the applicable systems:

<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>
	-					
2014A Water & Electric System Revenue Refunding and Improvement Bonds	2.00 – 3.00%	7/7/2014	14	10/1/2028	\$14,180,000	\$2,055,000
2015 Water and Electric System Refunding and Improvement Revenue Bonds	3.00 – 5.00%	8/5/2015	30	10/1/2045	51,280,000	26,360,000
2019A Water and Electric System Revenue Bonds	3.00 – 5.00%	5/21/2019	30	10/1/2049	15,150,000	12,855,000
2019B Water and Electric System Refunding Revenue Bonds	3.00 – 5.00%	10/8/2019	22	10/1/2041	70,445,000	43,135,000
2023A Water and Electric System Revenue Bonds	4.25 – 7.00%	10/26/2023	30	10/1/2053	27,695,000	26,505,000
2007B Water Pollution Control Revenue Bonds (State Revolving Fund)	4.00 – 5.00%	11/15/2007	20	1/1/2028	1,800,000	215,000
2010A Sewerage System Revenue Bonds (Direct Loan Program)	1.49%	1/14/2010	22	7/1/2032	59,335,000 ⁽¹⁾	20,763,800
2015 Sewerage System Revenue Bonds	3.00 – 5.00%	3/31/2015	20	10/1/2035	18,200,000	10,540,000
2017 Sewerage System Revenue Bonds	2.00 – 5.00%	4/19/2017	20	10/1/2037	15,790,000	9,940,000
2019 Sewerage System Refunding Revenue Bonds	2.80%	9/4/2019	15	10/1/2034	9,805,000	8,635,000
2020 Sewerage System Revenue Refunding Bonds	1.25 – 5.00%	10/2/2020	16	10/1/2036	6,125,000	<u>4,180,000</u>
Total Revenue Bonds						<u>\$165,183,800</u>

⁽¹⁾ The Sewerage System Revenue Bonds, Series 2010A, had a not-to-exceed amount of \$59,335,000 and the final principal amount issued was \$58,030,644.79.

Special Obligation Bonds. Following the issuance of the Bonds, the City will have eight series of special obligation bonds outstanding. The City may make payments on the outstanding special obligation bonds from any funds of the City legally available for such purposes, subject to annual appropriation by the City Council. However, the City expects to make payments from revenues of the sewer system, solid waste system, parking system and electric utility of the City, as applicable, as well as from the Capital Improvement Sales Tax. The total debt service for all outstanding special obligation bonds of the City, including the Bonds, is set forth in the table below.

Special Obligation Bonds

<u>Fiscal Year</u>	<u>2015, 2016, 2017, 2019, 2020A, 2020B, 2020C</u>		<u>The Bonds</u>		<u>Total Debt Service</u>
	<u>Maturing Principal</u>	<u>Interest Due</u>	<u>Maturing Principal*</u>	<u>Interest Due</u>	
2027	\$ 8,060,000	\$1,401,326	\$ 3,145,000		
2028	8,365,000	1,111,829	3,310,000		
2029	6,855,000	838,137	3,475,000		
2030	6,440,000	605,201	3,655,000		
2031	6,605,000	432,701	3,845,000		
2032	6,210,000	296,304	4,040,000		
2033	3,605,000	187,556	4,250,000		
2034	3,695,000	103,435	4,465,000		
2035	1,705,000	42,349	4,680,000		
2036	355,000	18,088	<u>4,900,000</u>		
2037	<u>365,000</u>	<u>6,159</u>			
Total	<u>\$52,260,000</u>	<u>\$5,043,085</u>	<u>\$39,765,000</u>		

Other Obligations. In addition to the above-listed Bonds, the City has entered into various leases that are described in Note VII of the September 30, 2025 Annual Comprehensive Financial Report included as **Appendix B**.

Future Obligations. The City does not have plans to issue debt obligations in the foreseeable future. However, the City continuously evaluates the needs of its community, infrastructure and facilities, including the possible expansion, improvement or maintenance of the City's existing systems, facilities and services.

At the November 5, 2013 election, the voters of the City authorized \$32,340,000 of sanitary sewerage system revenue bonds. The City currently has \$5,771,000 remaining from such authority. The City has no present plans to issue bonds based on that voted authorization.

At the April 7, 2015 election, the voters of the City authorized \$63,100,000 of waterworks and electric system revenue bonds for the purpose of extending, improving, repairing, replacing and equipping the electric system. The City currently has \$29,885,000 remaining from such authority. The City has no present plans to issue bonds based on that voted authorization.

Legal Debt Capacity

Under Article VI, Sections 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. The legal debt limit of the City is \$584,942,911. The City has no outstanding indebtedness, which leaves a legal debt margin of \$584,942,911.

* Preliminary; subject to change.

Overlapping General Obligation Indebtedness

The following table sets forth overlapping indebtedness of political subdivisions with boundaries overlapping the City as of September 30, 2025 and the percent attributable (on the basis of assessed valuation) to the City:

<u>Jurisdiction</u>	<u>Principal Outstanding</u>	<u>Amount Available Debt Service Funds</u>	<u>Net Debt Outstanding</u>	<u>Amount Applicable to the City</u>	<u>Amount Applicable to the City</u>
Columbia School District	\$305,375,000	\$37,605,083	\$267,769,917	82.4%	\$220,661,386
Boone County	<u>22,596,480</u>	<u>358,931</u>	<u>22,237,549</u>	70.8	<u>15,736,682</u>
Totals	<u>\$327,971,480</u>	<u>\$37,964,014</u>	<u>\$290,007,466</u>		<u>\$236,398,068</u>

Source: Annual Comprehensive Financial Report, Fiscal Year 2025.

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. The annual audit for the fiscal year ended September 30, 2025 was completed by Allen, Gibbs & Houlik, L.C., Overland Park, Kansas. 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.como.gov.

Sources of Revenue

The City finances its general operations through the following taxes and other miscellaneous sources as indicated below for the 2024 and 2025 fiscal years:

<u>Source</u>	<u>2024</u>	<u>2025</u>
General Property Taxes	\$10,813,404	\$ 11,558,147
Sales Tax	31,863,094	31,719,746
Use Tax	5,175,681	5,138,673
Other Local Taxes	14,352,131	17,394,083
Licenses and Permits	2,363,503	2,209,760
Fines	316,951	559,237
Fees and Service Charges	3,090,118	3,408,451
Intragovernmental Revenues	13,305,293	14,192,040
Revenue from other Governmental Units	9,432,603	8,181,985
Investment Revenue	3,938,157	2,619,045
Miscellaneous Revenue	<u>1,637,180</u>	<u>16,727,937</u>
Totals	<u>\$96,288,115</u>	<u>\$113,709,104</u>

Source: Annual Comprehensive Financial Report, Fiscal Years 2024 and 2025.

Sales tax revenues currently represent over 27% of the City'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, 2015 and 2024. The current tax expires on December 31, 2035.

The following table sets forth sales tax revenues of the City for the fiscal years ended September 30, 2021 – 2025.

<u>Year</u>	<u>General</u>	<u>Transportation</u>	<u>Capital Improvements</u>	<u>Local Parks</u>
2021	\$26,295,876	\$12,890,417	\$6,444,270	\$6,444,269
2022	29,461,437	14,448,255	7,222,142	7,222,143
2023	30,124,725	14,755,343	7,375,757	7,375,761
2024	31,863,094	15,661,354	7,830,115	7,829,225
2025	31,719,746	15,504,125	7,751,233	7,751,233

Source: Annual Comprehensive Financial Report, Fiscal Years 2021-2025.

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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 following fiscal years, derived from the audited financial statements of the City:

REVENUES, EXPENDITURES AND CHANGES IN GENERAL FUND BALANCE

	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>
REVENUES:					
General property taxes	\$ 9,146,927	\$ 9,335,517	\$10,266,557	\$ 10,813,404	\$ 11,558,147
Sales tax	26,295,876	29,461,437	30,124,725	31,863,094	31,719,746
Use tax	-	642,572	3,961,765	5,175,681	5,138,673
Other local taxes	11,082,330	12,003,180	14,010,570	14,352,131	17,394,083
Licenses and permits	1,102,948	1,072,953	1,641,352	2,363,503	2,209,760
Fines	630,989	552,153	439,148	316,951	559,237
Fees and service charges	5,417,444	3,060,416	2,746,587	3,090,118	3,408,451
Intragovernmental revenue	7,833,847	9,207,929	10,815,718	13,305,293	14,192,040
Revenue from other governmental Units	11,705,842	17,810,635	7,347,263	9,432,603	8,181,985
Investment revenue (loss)	(61,407)	(38,896)	2,493,199	3,938,157	2,619,045
Miscellaneous	<u>1,353,384</u>	<u>1,137,062</u>	<u>2,474,938</u>	<u>1,637,180</u>	<u>16,727,937</u>
Total Revenues	\$74,508,180	\$84,244,958	\$86,321,822	\$ 96,288,115	\$113,709,104
EXPENDITURES:					
Current:					
Policy development and administration	\$ 7,915,484	\$ 9,485,474	\$10,026,261	\$ 11,778,590	\$ 13,156,821
Public safety	47,247,179	50,893,094	54,075,900	61,844,329	66,846,314
Transportation	11,086,735	11,362,199	11,233,238	13,416,322	16,360,694
Health and environment	12,767,098	12,037,810	12,956,620	15,233,950	16,632,263
Personal development	7,693,565	8,637,666	2,577,956	3,905,386	4,091,303
Supporting activities	3,528,844	3,425,404	3,434,079	4,244,591	4,578,338
Misc. nonprogrammed activities	2,059,868	57,964	125,476	2,565,545	10,723,351
Capital outlay	<u>1,655,922</u>	<u>-</u>	<u>-</u>	<u>262,071</u>	<u>1,811,088</u>
Total Expenditures	\$93,954,695	\$95,899,611	\$94,429,530	\$113,250,784	\$134,200,172
Excess (Deficiency) of Revenues over Expenditures	\$ (19,446,515)	\$ (11,654,653)	\$ (8,107,708)	\$ (16,962,669)	\$ (20,491,068)
Transfers in	\$32,037,157	\$ 27,433,569	\$25,820,383	\$ 27,531,665	\$ 30,760,496
Transfers out	<u>(2,930,002)</u>	<u>(12,447,594)</u>	<u>(11,303,687)</u>	<u>(14,408,451)</u>	<u>(9,377,280)</u>
Total Other Financing Sources (Uses)	\$29,107,155	\$ 14,985,975	\$14,516,696	\$ 13,123,214	\$ 21,383,216
Net Change in Fund Balances	\$ 9,660,640	\$ 3,331,322	\$ 6,408,988	\$ (3,839,455)	\$ 892,148
FUND BALANCE – BEGINNING	<u>\$38,767,858</u>	<u>\$ 48,428,498</u>	<u>\$51,759,820</u>	<u>\$ 58,168,808</u>	<u>\$ 54,329,353</u>
FUND BALANCE - ENDING	<u>\$48,428,498</u>	<u>\$ 51,759,820</u>	<u>\$58,168,808</u>	<u>\$ 54,329,353</u>	<u>\$ 55,221,501</u>

Source: Annual Comprehensive Financial Report, Fiscal Years 2021-2025.

Employee Retirement and Pension Plans

Police and Fire 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.

LAGERS. Except for Railroad employees, all other employees of the City participate in the Missouri Local Government Employees' Retirement System ("LAGERS"), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS was created and is governed by state statute, and is a defined-benefit pension plan that provides retirement, disability and death benefits. The plan is qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended, and is tax-exempt. LAGERS is governed by a seven-member Board of Trustees 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, 2025 (the "2025 LAGERS CAFR") is available at <http://www.molagers.org/financial-reports.html>. The link to the 2025 LAGERS CAFR is provided for general background information only, and the information in the 2025 LAGERS CAFR is not incorporated by reference into this Official Statement. The 2025 LAGERS CAFR provides detailed information about LAGERS, including its financial position, investment policy and performance information, actuarial information and assumptions affecting plan design and policies, and certain statistical information about the plan.

For information specific to the City's participation in LAGERS, including the City's past contributions, net pension liability and related sensitivities, and pension expense, see Note XI of the September 30, 2025 Annual Comprehensive Financial Report included as **Appendix B**. For additional information regarding LAGERS, see the 2025 LAGERS CAFR.

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

	<u>Police Pension</u>	<u>Fire Pension</u>	<u>LAGERS</u>
Number of Participants:			
Current membership (receiving benefits) ⁽¹⁾	206	197	905
Terminated entitled, not yet receiving benefits	53	13	378
Current active members ⁽¹⁾	133	152	1,044

⁽¹⁾ Included in the total for current active and current membership (receiving benefits) Police and Fire members are 21 Fire DROP (Deferred Retirement Option Program) members and 5 Police DROP members.

Source: Annual Comprehensive Financial Report, Fiscal Year 2025.

Funding Policy for Police and Fire Pension

The City's Police and Fire pension contributions for the fiscal year ended September 30, 2025, 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, 2025 and the related information for the Police and Fire plans follows:

	<u>Police Plan</u>	<u>Fire Plan</u>
Contribution rates:		
City	46.57%	60.56%
Plan members - contributory	8.35%	4.00%
Plan members - noncontributory	4.50%	-
Annual pension cost	\$6,816,995	\$9,707,501
Contributions made	\$6,816,995	\$9,707,501
Actuarial valuation date	09/30/2024	09/30/2024
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	level % of pay-closed	level % of pay-closed
Remaining amortization period	Multiple bases from 7-17 years	Multiple bases from 10-20 years
Asset valuation method	smooth 5-year market	smooth 5-year market
Actuarial assumptions:		
Investment rate of return	6.25%	6.25%
Projected salary increases*	2.75% - 11.25%	2.75% - 11.25%
*Includes inflation at	2.75%	2.75%
Benefit increases	2% annually until attained age of 62; 1.5% thereafter	2% annually

Source: Annual Comprehensive Financial Report, Fiscal Year 2025.

Pursuant to a September 30, 2025 actuarial report, the Unfunded Actuarial Accrued Liability for the Police Plan is \$65,893,709 and for the Fire Plan is \$83,053,011.

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>FY Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>% of APC Contributed</u>	<u>Net Pension Liability</u>
Police Pension	9/30/2025	\$6,816,995	100.00%	\$58,026,491
Fire Pension	9/30/2025	\$9,707,501	100.00%	\$78,755,626

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, 2025.

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 Central Bank of Boone County, 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, 2025, there were 1,344 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, 2025, the City contributed \$1,117,437 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, 2025, \$52,820 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 Anthem Blue Cross Blue Shield. 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. The dental benefits are the same as those provided pre-Medicare. As of October 1, 2024, the date of the last actuarial valuation, plan membership consisted of 8 retirees receiving benefits and 1,274 active members for a total of 1,282 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 \$1,000,000 for general liability, \$250,000 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 years.

PROPERTY TAX INFORMATION CONCERNING THE CITY

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%.

On January 1 of every odd-numbered year, 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 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 2025 final assessed valuation as of December 31, 2025, by category, of all taxable tangible property situated in the City as reported by the Boone County Clerk:

	<u>Assessed Valuation</u>	<u>Assessment Rate⁽¹⁾</u>	<u>Estimated Actual Valuation</u>
Real Estate:			
Residential	\$1,770,144,953	19.00%	\$ 9,316,552,384
Agricultural	5,101,648	12.00	15,942,650
Commercial	<u>589,021,028</u>	32.00	<u>4,908,508,567</u>
Subtotal	\$2,364,267,629		\$14,241,003,601
Personal Property	\$554,994,946	33.33	\$ 1,664,986,503
State RR & Utility Prop.	<u>5,451,980</u>	33.33	<u>16,357,576</u>
TOTAL	<u>\$2,924,714,555</u>		<u>\$15,922,347,680</u>

⁽¹⁾ 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.

Source: Boone County Clerk's Office.

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:

<u>Year</u>	<u>Assessed Valuation (December 31)</u>	<u>Percent Change</u>
2021	\$2,354,315,915	N/A
2022	2,490,010,762	+0.58%
2023	2,653,837,447	+0.66
2024	2,674,438,129	+0.08
2025	2,924,714,555	+0.94

Source: Boone County Clerk's Office.

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 County Clerk. The City must fix its ad valorem property tax rates and certify them to the County Clerk not later than September 1 for entry in the tax books.

The County Clerk receives the county tax books from the County Assessor, which set forth the assessments of real and personal property. The County Clerk enters the tax rates certified to him by the local taxing bodies in the tax books and assesses such rates against all taxable property in the City as shown in such books. The County Clerk forwards the tax books by October 31 to the County Collector, who is charged with levying and collecting taxes as shown therein. The County Collector extends the taxes on the tax rolls and issues the tax statements in early December. Taxes are due in full on December 31 and become delinquent on January 1. The delinquent penalty for 2025 was 2% in January, increased by 2% in each succeeding month up through September for a maximum of 18%. In addition to the delinquent penalty, there is also a delinquent fee of 9% charged at the time of payment on the delinquent account.

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

Tax Rates

Debt Service Levy. The 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 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.

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

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

Fiscal Year	General Fund/ Total Levy
2021	\$0.40
2022	0.40
2023	0.40
2024	0.41
2025	0.39

Source: Annual Comprehensive Financial Report, Fiscal Year 2025.

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

Fiscal Year	Taxes Levied	Current & Delinquent Taxes Collected Amount	%
2021	\$ 8,921,159	\$8,918,298	99.97%
2022	8,975,089	9,245,574	103.01
2023	9,648,421	9,886,155	102.46
2024	10,106,582	10,453,791	103.44
2025	10,300,114	11,189,228	108.63

Source: Annual Comprehensive Financial Report, Fiscal Year 2025.

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Major Property Taxpayers

The following table sets forth the ten largest property taxpayers in the City based upon local assessed valuation for fiscal year 2025.

<u>Company Name</u>	<u>Type</u>	<u>Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Union Electric	Utility	\$38,415,722	1.32%
Boone Electric Satellite Systems	Utility	26,238,492	0.90
Aurora Organic Dairy	Manufacturer	26,224,138	0.90
3M Company	Manufacturer	22,216,874	0.77
Shelter Insurance Company	Insurance	18,616,117	0.64
HSRE Mizzou II LLC	Property/Developer	15,033,823	0.52
Broadway Crossings II, LLC	Property/Developer	12,635,236	0.44
Sapp Emery & Sons	Construction	12,288,577	0.42
Hubbell Power Systems	Manufacturer	12,240,215	0.43
Boone County Special Needs Affordable Housing	Property/Developer	<u>11,241,942</u>	<u>0.39</u>
Total		<u>\$195,151,136</u>	<u>6.73%</u>

Source: Annual Comprehensive Financial Report, Fiscal Year 2025.

THE WATER AND ELECTRIC SYSTEM

The City owns and operates a water and electric utility that is composed of a water system and an electric power and light system (collectively, the “System”). The City intends to annually budget and appropriate net revenues generated from the System to pay debt service on the Bonds. Such revenues are not pledged as security for the payment of the Bonds, and there can be no assurance that the City will appropriate funds for payment of the Bonds. Net revenues of the System are pledged to the City’s outstanding Water and Electric System Refunding Revenue Bonds, Series 2014A, Water and Electric System Refunding and Improvement Revenue Bonds, Series 2015, Water and Electric System Revenue Bonds, Series 2019A, Water and Electric System Refunding Revenue Bonds, Series 2019B and Water and Electric System Revenue Bonds, Series 2023A (collectively, the “Revenue Bonds”).

The following table shows the historical revenues and expenses of the System derived from the audited financial statements of the City for the fiscal years 2021 through 2025:

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Water and Electric Utility Fund

Historical Schedule of Revenues and Expenses

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
REVENUES					
ELECTRIC UTILITY					
Residential Sales	\$ 56,887,624	\$ 57,772,228	\$ 57,323,441	\$ 65,057,040	\$ 68,869,911
Commercial and Industrial Sales	56,721,852	58,743,896	59,589,676	66,867,761	70,408,798
Intragovernmental Sales	1,342,460	1,389,795	1,410,256	1,583,581	1,667,041
Street Lighting and Traffic Signs	38,890	8,953	8,897	7,520	9,095
Sales to Public Authorities	14,095,828	14,592,845	14,807,687	16,627,598	17,503,928
Sales for Resale	2,631,109	1,026,154	557,114	828,612	1,214,288
Miscellaneous	4,604,715	12,697,176	9,665,221	6,422,812	8,151,207
Total Electric Revenues	<u>\$ 136,322,478</u>	<u>\$146,231,047</u>	<u>\$143,362,292</u>	<u>\$157,394,924</u>	<u>\$167,824,268</u>
WATER UTILITY					
Residential Sales	\$ 18,384,427	\$ 19,123,149	\$ 20,505,017	\$ 21,310,005	\$ 22,502,897
Commercial and Industrial Sales	8,034,813	8,760,217	9,817,036	9,956,448	10,504,845
Miscellaneous	966,824	1,042,611	650,167	823,200	1,359,851
Total Water Revenues	<u>\$ 27,386,064</u>	<u>\$ 28,925,977</u>	<u>\$ 30,972,220</u>	<u>\$ 32,089,653</u>	<u>\$ 34,367,593</u>
NON-OPERATING REVENUES ⁽¹⁾	<u>\$ 7,512,197</u>	<u>\$ 7,068,825</u>	<u>\$ 8,172,532</u>	<u>\$ 12,925,236</u>	<u>\$ 10,721,667</u>
TOTAL REVENUES	<u>\$ 171,220,739</u>	<u>\$182,225,849</u>	<u>\$182,507,044</u>	<u>\$202,409,813</u>	<u>\$212,913,528</u>
EXPENSES					
ELECTRIC UTILITY					
Fuel and Purchased Power	\$ 70,325,383	\$ 93,459,033 ⁽²⁾	\$ 79,191,315	\$ 83,604,658	\$ 96,541,777
Other Production Expenses	5,464,869	6,280,414	5,522,581	6,631,216	5,675,033
Transmission and Distribution	15,821,344	18,491,855	22,518,205	21,307,299	23,771,450
Accounting and Collection	5,843,621	4,990,867	4,702,466	5,347,298	6,174,916
Administrative and General	6,326,230	6,370,623	7,259,844	7,687,920	7,640,298
Total Electric Expenses	<u>\$ 103,781,447</u>	<u>\$129,592,792</u>	<u>\$119,194,411</u>	<u>\$124,578,391</u>	<u>\$139,803,474</u>
WATER UTILITY					
Production	\$ 5,143,952	\$ 5,618,177	\$ 6,950,391	\$ 6,536,635	\$ 6,554,901
Transmission and Distribution	5,842,014	5,765,676	8,693,647	6,927,846	8,450,812
Accounting and General	2,163,023	2,207,109	2,405,490	3,198,222	3,581,265
Administrative and General	2,157,165	2,320,449	2,685,798	3,073,208	2,939,146
Total Water Expenses	<u>\$ 15,306,154</u>	<u>\$ 15,911,411</u>	<u>\$ 20,735,326</u>	<u>\$ 19,735,911</u>	<u>\$ 21,526,124</u>
TOTAL EXPENSES	<u>\$119,087,601</u>	<u>\$145,504,203</u>	<u>\$139,929,737</u>	<u>\$144,314,302</u>	<u>\$161,329,598</u>
NET REVENUES	<u>\$ 52,133,138</u>	<u>\$ 36,721,646</u>	<u>\$ 42,577,307</u>	<u>\$ 58,095,511</u>	<u>\$ 51,583,930</u>
Debt Service on Revenue Bonds	<u>(\$13,090,756)</u>	<u>(\$16,698,938)</u>	<u>(\$16,723,388)</u>	<u>(\$15,459,891)</u>	<u>(\$16,618,725)</u>
Surplus Revenues	<u>\$39,042,382</u>	<u>\$20,022,708</u>	<u>\$25,853,919</u>	<u>\$42,635,620</u>	<u>\$34,965,205</u>

⁽¹⁾ The Non-Operating Revenues line item includes investment revenue, miscellaneous revenue and revenue from other governmental units.

⁽²⁾ The City experienced significant increases in the cost of purchased power in 2022 due to higher energy prices, reliability concerns and weather events. Energy prices increased primarily due to the increase in fuel prices for both natural gas and coal; the price increases affected utilities nation-wide and globally. Reliability and price stability have become a concern as the retirement of power plants, in particular coal-fired plants, is occurring faster than replacement electricity resources can be brought online. Significant heat waves during Summer 2022 led MISO to enact emergency measures, including price increases, to address capacity shortfalls.

Source: *Financial Management Information Supplements for Fiscal Years 2021-2025.*

APPENDIX B

CITY OF COLUMBIA, MISSOURI

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
WITH INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

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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.

“Bond Counsel” means Gilmore & Bell, P.C., St. Louis, 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 or Redemption Price of or interest on any Bond is payable.

“Bond Register” means the books for the registration, transfer and exchange of Bonds kept at the office of the Paying Agent.

“Bonds” means the Special Obligation Bonds, Series 2026, of the City, in the aggregate principal amount of \$39,765,000*, authorized and issued pursuant to the Bond Ordinance.

“Business Day” means a day, other than a Saturday, Sunday or holiday, on which the Paying Agent is scheduled in the normal course of its operations to be open to the public for conduct of its banking operations.

“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.

“Continuing Disclosure Undertaking” means the Continuing Disclosure Undertaking in substantially the form attached to the Bond Ordinance.

“Defaulted Interest” means interest on any Bond which is payable but not paid on any Interest Payment Date.

“Defeasance Obligations” means any of the following obligations:

(a) United States Government Obligations that are not subject to redemption in advance of their maturity dates; or

* Preliminary; subject to change.

(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 the same rating category as United States Government Obligations or higher by a nationally recognized rating service.

“Federal Tax Certificate” means the Federal Tax Certificate dated 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.

“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.

“Paying Agent” means UMB Bank, N.A., St. Louis, Missouri, and any successors and assigns.

“Permitted Investments” means any securities or investments that are lawful for the investment of moneys held in such funds or accounts under the laws of the State of Missouri.

“Person” means any natural person, corporation, partnership, firm, joint venture, association, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof or other public body.

“Project Fund” means the fund by that name referred to in the Bond Ordinance.

“Rebate Fund” means the fund by that name referred to in the Bond Ordinance.

“Record Date” for the interest payable on any Interest Payment Date means the 15th day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date.

“Redemption Date” when used with respect to any Bond to be redeemed means the date fixed for such redemption pursuant to the terms of the Bond Ordinance.

“Redemption Price” when used with respect to any Bond to be redeemed means the price at which such Bond is to be redeemed pursuant to the terms of the Bond Ordinance, including the applicable redemption premium, if any, but excluding installments of interest whose Stated Maturity is on or before the Redemption Date.

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

“Special Obligation Debt Service Fund” means the fund by that name referred to in the Bond Ordinance.

“Special Record Date” means the date fixed by the Paying Agent pursuant to the Bond Ordinance for the payment of Defaulted Interest.

“Stated Maturity” when used with respect to any Bond or any installment of interest thereon means the date specified in such Bond and the Bond Ordinance as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

“United States Government Obligations” means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America, including evidences of a direct ownership interest in future interest or principal payments on obligations issued or guaranteed by the United States of America (including the interest component of obligations of the Resolution Funding Corporation), or securities which represent an undivided interest in such obligations, which obligations are rated in the same rating category as the United States of America or higher by a nationally recognized rating service and such obligations are held in a custodial account for the benefit of the City.

Establishment of Funds and Accounts

There have been or shall be established in the treasury of the City and shall be held and administered by the Director of Finance of the City a Project Fund, Special Obligation Debt Service Fund and a Rebate Fund. Each fund shall be maintained as a separate and distinct fund and the moneys therein shall be held, managed, invested, disbursed and administered as provided in the Bond Ordinance. All moneys deposited in the funds shall be used solely for the purposes set forth in the Bond Ordinance. The City shall keep and maintain adequate records pertaining to each fund and all disbursements therefrom.

Application of Moneys in the Project Fund

Moneys in the Project Fund shall be used by the City solely for the purpose of (a) paying the costs of the Project, and (b) paying the costs and expenses incident to the issuance of the Bonds, including, but not limited to, the fees of attorneys, financial consultants, accountants, rating agencies, printers and others employed to render professional services and other costs, fees and expenses incurred. Upon completion of the Project, any surplus money remaining in the Project Fund and not required for the payment of unpaid costs thereof shall be deposited into the Special Obligation Debt Service Fund for the Bonds and applied in accordance with the Bond Ordinance.

Application of Moneys in the Special Obligation Debt Service Fund.

All amounts paid and credited to the Special Obligation Debt Service Fund shall be expended and used by the City for the purpose of paying the Bonds as and when the same become due and the usual and customary fees and expenses of the Paying Agent. The Director of Finance is authorized and directed to withdraw from the Special Obligation Debt Service Fund sums sufficient to pay the Bonds and the fees and expenses of the Paying Agent as and when the same become due, and to forward such sums to the Paying Agent in a manner which ensures that the Paying Agent will receive immediately available funds in such amounts on or before the Business Day immediately preceding the dates when such principal, interest and fees of the Paying Agent will become due. If, through the lapse of time or otherwise, the Registered Owners of Bonds are no longer entitled to enforce payment of the Bonds or the interest thereon, the Paying Agent shall return said funds to the City. All moneys deposited with the Paying Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in the Bond Ordinance and shall be held in trust by the Paying Agent for the benefit of the Registered Owners of the Bonds entitled to payment from such moneys.

Payments Due on Saturdays, Sundays and Holidays

If a Bond Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Bond Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such Bond Payment Date.

Nonpresentment of Bonds

If any Bond is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Bond have been made available to the Paying Agent all liability of the City to the Registered Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the Registered Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under the Bond Ordinance or on, or with respect to, said Bond. If any Bond is not presented for payment within one year following the date when such Bond becomes due at Maturity, the Paying Agent shall repay to the City the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the City, and the Registered Owner thereof shall be entitled to look only to the City for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the City shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Deposit and Investment of Moneys

Moneys in each of the funds and accounts created by and referred to in the Bond Ordinance shall be deposited in a bank or banks or other legally permitted financial institutions located in the State of Missouri that are members of the Federal Deposit Insurance Corporation. All such deposits shall be continuously and

adequately secured by the banks or financial institutions holding such deposits as provided by the laws of the State of Missouri.

Moneys held in any fund or account held in the custody of the City referred to in the Bond Ordinance may be invested in Permitted Investments in accordance with the Federal Tax Certificate; provided, however, that no such investment shall be made for a period extending longer than the date when the moneys invested may be needed for the purpose for which such fund or account was created. All earnings on any investments held in any fund or account shall accrue to and become a part of such fund or account. In determining the amount held in any fund or account under any of the provisions of the Bond Ordinance, obligations shall be valued at the lower of the cost or the market value thereof.

Annual Audit

Annually, promptly after the end of the Fiscal Year, the City will cause an audit to be made of its funds and accounts for the preceding Fiscal Year by an independent public accountant or firm of independent public accountants.

Within 30 days after the completion of each such audit, a copy thereof shall be filed in the office of the City Clerk. The audit shall at all times during the usual business hours be open to the examination and inspection by any Registered Owner of any of the Bonds, or by anyone acting for or on behalf of such Registered Owner.

As soon as possible after the completion of the annual audit, the City Council shall review such audit, and if the audit discloses that proper provision has not been made for all of the requirements of the Ordinance, the City shall, subject to the terms of the Bond Ordinance, promptly cure such deficiency.

Tax Covenants

The City covenants 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.

Defaults and Remedies

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 any Registered Owner of any Bond then Outstanding, or if the City declares bankruptcy, then, at any time thereafter and while such default continues, the Registered Owners of 25% in principal amount of the Bonds then Outstanding may, by written notice to the City filed in the office of the City Clerk or delivered in person to said City Clerk, exercise any of the remedies specified below. This provision, however, is subject to the condition that if all arrears of interest upon all of said Bonds, except interest accrued but not yet due on such Bonds, and all arrears of principal upon all of said Bonds has been paid in full and all other defaults, if any, by the City under the provisions of the Bond Ordinance and under the provisions of the statutes of the State of Missouri have been cured, then and in every such case the Registered Owners of a majority in principal amount of the Bonds then Outstanding, by written notice to the City given as hereinbefore specified, may rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent default or impair any rights consequent thereon.

The provisions of the Bond Ordinance, including the covenants and agreements herein contained, shall constitute a contract among the City and the Registered Owners of the Bonds, and the Registered Owner or Owners of not less than 10% in principal amount of the Bonds at the time Outstanding shall have the right for the equal benefit and protection of all Registered Owners of Bonds similarly situated:

- (a) by mandamus or other suit, action or proceedings at law or in equity to enforce the rights of such Registered Owner or Owners against the City and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of the Bond Ordinance or by the constitution and laws of the State of Missouri;
- (b) by suit, action or other proceedings in equity or at law to require the City, its officers, agents and employees to account as if they were the trustees of an express trust; and
- (c) by suit, action or other proceedings in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the Registered Owners of the Bonds.

Limitation on Rights of Registered Owners

The covenants and agreements of the City contained herein and in the Bonds shall be for the equal benefit, protection and security of the legal owners of any or all of the Bonds. All of the Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the funds herein pledged to the payment of the principal of and the interest on the Bonds, or otherwise, except as to rate of interest, or date of Maturity or right of prior redemption as provided in the Bond Ordinance. No one or more Registered Owners secured hereby shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for herein, or to enforce any right hereunder, except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Registered Owners of such Outstanding Bonds.

No Acceleration

Notwithstanding anything herein to the contrary, the Bonds are not subject to acceleration upon the occurrence of an event of default under the Bond Ordinance.

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 shall have been paid and discharged, then the requirements contained in the Bond Ordinance and all other rights granted hereby shall terminate with respect to the Bonds or interest payments so paid and discharged. Bonds or the interest payments thereon shall be deemed to have been paid and discharged within the meaning of the Bond Ordinance if there has been deposited with the Paying Agent or other commercial bank or trust company located in the State of Missouri and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said Bonds or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and/or Defeasance Obligations which, together with the interest to be earned thereon, will be sufficient for the payment of the principal or Redemption Price of said Bonds, and/or interest to accrue on such Bonds to the Stated Maturity or Redemption Date, as the case may be, or if default in such payment shall have occurred on such date, then to the date of the tender of such payments; provided, however, that if any such Bonds shall be redeemed prior to the Stated Maturity thereof, (1) the City shall have elected to redeem such Bonds, and (2) either notice of such redemption shall have been given, or the City shall have given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Paying Agent to redeem such Bonds in compliance with the Bond Ordinance.

Amendments

The Continuing Disclosure Undertaking is exempt from the provisions of this Section and is subject to amendment and modification only as provided therein. The rights and duties of the City and the Registered Owners, 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) alter the optional Redemption Date of any Bond;
- (c) effect a reduction in the amount which the City is required to pay as principal of or interest on any Bond;
- (d) permit preference or priority of any Bond over any other Bond; 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 City Council at any time in any legal respect with the written consent of the Registered Owners of all of the Bonds at the time Outstanding.

Without notice to or the consent of any Registered Owners, 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 Registered Owners.

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.

“Business Day” means a day other than (a) a Saturday, Sunday or legal holiday, (b) a day on which banks located in any city in which the principal office or designated payment office of the paying agent or the Dissemination Agent is located are required or authorized by law to remain closed, or (c) a day on which the Securities Depository or the New York Stock Exchange is closed.

“Dissemination Agent” means any entity designated in writing by the City to serve as dissemination agent pursuant to the Continuing Disclosure Undertaking and which has filed with the City a written acceptance of such designation.

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

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; *provided however*, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

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

“Material Events” means any of the events listed in the Continuing Disclosure Undertaking as described below under the caption **“Reporting of Material Events.”**

“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.

“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 210 days after the end of the City’s Fiscal Year, commencing with the Fiscal Year ending September 30, 2026, file with 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) Updates as of the end of the Fiscal Year of the financial information and operating data contained in **Appendix A** to the Official Statement for the Bonds in substantially the scope contained in such Appendix in the tables under the following headings:

- A. **“DEBT STRUCTURE OF THE CITY - Other Long-Term Obligations of the City”**
- B. **“FINANCIAL INFORMATION CONCERNING THE CITY”**
- C. **“PROPERTY TAX INFORMATION CONCERNING THE CITY”**

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

Not later than **10** Business Days after the occurrence of any of the following events, the City shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Bonds (**“Material Events”**):

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

- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the City;
- (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of the trustee, if material;
- (15) incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the City, any of which reflect financial difficulties.

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.

Dissemination Agents

The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Continuing Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign as dissemination agent hereunder at any time upon **30** days prior written notice to the City. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the City pursuant to the Continuing Disclosure Undertaking.

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.

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APPENDIX D

BOOK-ENTRY ONLY SYSTEM

The following information concerning DTC and DTC's book-entry system has been obtained from DTC. The City takes no responsibility for the accuracy or completeness thereof and neither the Indirect Participants nor the Beneficial Owners should rely on the following information with respect to such matters, but should instead confirm the same with DTC or the Direct Participants, as the case may be. There can be no assurance that DTC will abide by its procedures or that such procedures will not be changed from time to time.

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.

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.

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

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

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 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will 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 Bonds unless authorized by a Direct Participant in accordance with DTC's Money Market Instrument 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of Principal or 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, the Paying Agent or 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 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 depository is not obtained, Bond certificates are required to be printed and delivered.

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