



CITY OF MARYVILLE, MISSOURI

Comprehensive Annual Financial Report

For the Year Ended September 30, 2009

CITY OF MARYVILLE, MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2009



Report issued by the Department of Finance

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Introductory Section



City of Maryville, Missouri

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February 3, 2010

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

It is our pleasure to formally submit the Comprehensive Annual Financial Report (CAFR) of the City of Maryville, Missouri (the City), for the fiscal year ended September 30, 2009. This report was prepared by the Finance Department, and the responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

McGladrey & Pullen, LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Maryville, Missouri's financial statements for the year ended September 30, 2009. The independent auditor's report is located at the front of the financial section of this report.

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

The CAFR is prepared in accordance with GAAP as promulgated by the Governmental Accounting Standards Board (GASB). The report is presented in three sections and includes the following information:

- Introductory Section – Letter of Transmittal with comments on the operation of the City, the City's organizational chart, and a list of City officials.
- Financial Section – Independent Auditors' Report, Management's Discussion and Analysis, Basic Financial Statements and Notes, Required Supplementary Information, Combining and Individual Fund Financial Statements and Schedules.
- Statistical Section – Selected financial and general information presented on a multi-year comparative basis.

For purposes of preparing this comprehensive annual financial report, all funds that are controlled by or dependent on, the City of Maryville are included. This comprises such services as administration, public safety,

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

PROFILE OF THE GOVERNMENT

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

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

Today, the City of Maryville is the county seat of Nodaway County, and is incorporated as a third-class city under the Missouri statutes. The City encompasses approximately 4.4 square miles and is located in the northwest corner of the state, approximately 95 miles north of Kansas City, Missouri. The City's population is 10,581 according to the 2000 census. The City is empowered to levy a property tax on the real and personal property located within its boundaries, and by state statute to extend its corporate limits by annexation.

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

LOCAL ECONOMY

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

The City is a blend of small town living and cultural amenities usually found in larger communities. Northwest Missouri State University (NWMSU), the City's largest employer, was established in 1905 and currently offers courses in a balanced selection of degree opportunities to over 7,000 students. Through its "Encore" series, residents are able to enjoy a wide offering of musical events and lectures. NWMSU also features the Missouri Academy, an accelerated residential program for Missouri high school-age students academically talented in science and math. The Academy offers an opportunity for exceptional students to live and work in a community

of peers while earning college credits and a high school diploma. The two-year program of college coursework is tailored to individual abilities and taught by Northwest faculty.

The City welcomes industry of all types into the community and recognizes their contributions on the local, regional, national and global economy. The City of Maryville and Nodaway County have the lowest unemployment rate (5.6%) in the State of Missouri as of November 2009. A significant reason for this is due to the industries within the community including: Kawasaki, Energizer, LaClede Chain, NuCor-LMP, and Federal Mogul. Also complementing the existing industry is land which is "shovel ready" and zoned as industrial to accommodate additional economic growth in the City in the form of industry or other corporate needs. Benefits of "shovel ready" land became apparent with the development of a new business, Carbolytic Materials Corporation.

The City understands the value of developing partnerships for economic development purposes to stimulate the local economy. To this end, the City has established itself as a leader in the recruitment of new businesses, both corporate and industrial by taking a leadership role in creating a resource team of local entities which help to evaluate potential new businesses in the community. Each opportunity is measured by the committee to determine the value it would add to the community. By establishing this framework of partnership the City is positive about its future and in sustaining positive economic growth.

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

MAJOR INITIATIVES & LONG TERM FINANCIAL PLANNING

During the 2009-2010 fiscal year the City will explore and begin the initial stages of developing a new comprehensive plan. This is a critical project that will help mold the future of Maryville for the next 20 years. The plan will be an integrated, long-range vision for maintaining a healthy community – promoting the well-being of people and communities, economic diversity, a healthy environment, as well as managed residential and employment growth. Other aspects of the plan will include policies ensuring infrastructure needs are met and the core values of the citizens are preserved for a vibrant community that is responsive to the needs of the citizens. The plan will develop objectives and goals which will be measured and monitored through the implementation process.

In April 2008 the citizens approved a half-cent capital improvement sales tax to fund on-going capital replacement needs and street and related infrastructure improvements. This sales tax will sunset in 10 years unless approved again by a vote of the citizens. The majority of the funding will go toward street improvements, but other areas that have been identified include updating the emergency siren system, storm water improvements, heavy equipment for street maintenance and fire protection, and matching dollars for trail projects. Already completed are a number of street and water infrastructure projects. Continued progress is expected in the following years with a high level of satisfaction from the current projects thus far.

A major expansion of the Northwest Missouri Regional Airport totaling over \$1.8 million dollars in construction is now complete. The improvements include the extension of the existing runway by 600 feet, additional apron, taxiway, and lighting system for the runway. Future plans include two new fuel pumping systems. The two pumps will permit sales of both Avgas and expansion into Jet-A fuel which can add additional aircrafts as well as boost airport associated revenues. The airport overall serves as a critical resource for the City to be competitive in economic development. Both the current construction and fueling system improvements are possible through funding matched by FAA and the Missouri Department of Transportation.

With the existence of the University comes with it a significant amount of housing stock which are rental properties. Approximately 65% of all the residential housing is rental property predominantly targeted to students seeking higher education. With a portion of this housing comes run down properties which are an additional revenue source for the property owner. Since the revenue is coming in, property owners have little need to improve or properly maintain the properties. Run down housing stock takes a broken window theory approach in that one broken window leads to another at a different house and a trickle down effect will continue causing house values to depreciate and neighborhoods to be rundown. Subsequently, the City will be actively

enforcing the property maintenance code to bring selected houses to a respectable standing while being proactive in the demolition of homes which are dilapidated and substandard. Other planned activities for include neighborhood meetings to improve housing stock and neighborhoods as a whole.

Significant efforts at both the grassroots and local level have been embarked upon to improve and revitalize downtown Maryville. As part of two major initiatives underway related to this revitalization effort are the construction of streetscape project, which has four (4) major phases associated with it. Completed at this time are the base bid and Phase I. Remaining are Phases II and III, which the City has received Enhancement Funds through the Missouri Department of Transportation and an allotment of tax credits through the Missouri Development Finance Board. Completion of these Phases will culminate in improved aesthetics, walk ability, marketability and an increase in economic development in the downtown. This has truly been a grassroots effort, where no City tax dollars have been used to fund the project, which is a testament to the giving people within the community who see the benefits in improving downtown. Completion of this project is expected in fall 2010.

The second initiative associated with Downtown is the City being selected for the Governor's Downtown Revitalization and Economic Assistance for Missouri (DREAM) Initiative. This is a partnership with three (3) State Departments and the City to receive assistance in our planning efforts to enhance and revitalize Downtown. The initiative is a manner in which we can accelerate the revitalization process. The cities chosen last year have seen a remarkable change in investment. Specifically, state-wide, the program has resulted in State assistance to the tune of over \$174 million in investment. This has been offset with private investment dollars of \$287 million. Already Maryville is beginning to see the benefits of this program. This is a three to four year project with the State and should help with our comprehensive effort to establish Downtown Maryville as a destination to live, work, and play.

The City of Maryville has been working diligently towards the acquisition of grant funding to compliment the capital improvement tax which identified the emergency storm siren systems to be upgraded. To this end, we have been successful in the acquisition of grants through U.S. Representatives, Sam Graves's Office and through the Northwest Missouri Regional Council of Government. Ultimately this project will consist of installation of new storm sirens, which will be strategically placed throughout the city to insure full coverage of Maryville. The project scope will also include an installation of a storm siren at Mazingo Lake which historically has been nonexistent at this location. This helps to make certain that all outdoor visitors and citizens are immediately made aware of potential dangers that exist in both geographical locations. It is important to mention that these storm sirens are not designed to provide notification of individuals inside a home or a structure and to ensure safety we strongly suggest the purchase of a weather radio which provides a similar application as an outdoor emergency storm siren.

The City is currently exploring and has allocations to including a plan to erect two new water towers within City limits. This is a result of an identified need for a better water distribution network, improved fire suppression system, suggested MDNR requirements to have at least 1 days water supply in the air (in water towers), and minimizing service delivery interruptions of water when major waterlines break. Finally the last issue contributing to this need is the fact that our water tower on 9th and Mulberry sprung a leak at the base of the tower. Given its age and capacity it is not feasible to repair, especially considering current and future needs of the City.

Complimenting the water project is a planned installation of new high service pumps. This will hopefully be the first of many green and sustainability projects that the City will consider embarking upon. Currently, the high service pumps are 35 years old and run at one level when pumping water into the distribution system. As a result, the system runs for approximately 18-20 hours per day and requires a significant demand on the electrical utility. The installation of new high service pumps will include installation of a Variable Frequency Drive (VFD), which regulates the speed of the pumps and the velocity and volume of water into the distribution system. The VFD will help reduce energy demands at the Water Treatment Plant by 20-30%. I believe as we enter the new decade you will see more emphasis by the City of Maryville to promote and implement more green and sustainable type projects whenever possible for the betterment of the organization and more importantly the community and its future.

The City is currently in the process of working towards meeting new wastewater discharge requirements which were issued in February 2008. From this notification, the City has 3 years in which to come into compliance.

New requirements as expected were proposed for both ammonia and phosphorus effluent and based on the City's current wastewater system we will not be able to meet the expected levels all year. Consequently, the City is exploring options to meet these requirements. Based on suggested treatment methods, this project is estimated to cost in the area of \$9 million dollars. Verification of the needs of the plant and ideal treatment methods at the facility are still ongoing. Verification will be followed by design and construction based on approved recommendations and conformance to MDNR regulations.

As a commitment of the City Council to improve the Quality of Life for its citizens, the City has established a comprehensive City wide walking, hiking and biking trails plan. The purpose of this, not only will improve the quality of life, but will also raise awareness for a healthier community and address environmental concerns related to reducing vehicular emissions and traffic. In total 50 miles of trails are planned, 25 within the City limits and an additional 25 surrounding the lake and property owned by the City of Maryville, which is our primary water source. Several phases of this trail system were completed in 2009 and additional segments will be built in 2010. Overall the trail system is expected to take approximately 15 years to be fully completed.

The City of Maryville owns and operates Mozingo Lake a 3,000 acre facility of which 1,000 acres is a lake, which acts as our primary water source to our customers. Also surrounding the lake are recreational activities including: RV camping, primitive camping, cabins, youth cabins, golf, hiking, water recreational activities, fishing and pavilions for family gatherings. The lake was established approximately 16 years ago and our current long term planning strategies are being revisited and designed with a creation of a new 10 Year Plan for Mozingo. As part of this 10 year plan, public hearings and comments are being received by staff from interested citizens and community members, who are encouraging us to explore other recreational opportunities for Mozingo Lake. Other concerns with the plan include: infrastructure issues, staffing issues, funding issues and identifying other objectives to ensure the long term success of Mozingo while keeping in mind the primary objective, which is to serve as a primary water source for the community and County. This plan is expecting completion by spring 2010 to continue moving Mozingo in a positive direction.

These projects described above are just a small picture of the major initiatives pursued by the City of Maryville. The outcome of these projects will help to improve the quality of life for the citizens of Maryville. While these projects are moving forward, we have still been able to ensure the delivery of the high quality core services that the citizens deserve and expect in Maryville given the difficult economic times our country is facing.

RELEVANT FINANCIAL POLICIES

In February 2005 the City adopted tax increment financing (TIF) for the renovation and reconstruction of Maryville Town Center, a retail development consisting of approximately 90,000 square feet of retail space, anchored by a 55,400 square foot Hy-Vee grocery store and a 2,240 square foot Hy-Vee convenience store.

BUDGETARY CONTROLS

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

INDEPENDENT AUDIT

City policy requires an annual audit to be made of the financial statements of the various funds and account groups. The independent certified public accounting firm of McGladrey & Pullen audited the financial statements contained in this report for the year ended September 30, 2009. The auditor's report on the basic financial statements is included in the financial section of this report.

SINGLE AUDIT

The City of Maryville is required to undergo a single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget's (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* for the year ended September 30, 2009 since federal financial assistance was above the \$500,000 threshold limit.

As a part of the City's single audit, tests are made to determine the adequacy of internal control, including that portion related to federal financial assistance programs, as well as to determine that the government has complied with applicable laws and regulations. The results of the City's single audit for the fiscal year ended September 30, 2009 provided no instances of material weaknesses in internal control or significant violations of applicable laws and regulations. This information is available in a separately issued report.

RISK MANAGEMENT

The City is provided property, casualty and liability insurance coverage by Missouri Intergovernmental Risk Management Association (MIRMA). MIRMA is comprised of approximately 70 municipalities across the state in a shared risk pool.

The City's health insurance is provided by Blue Cross and Blue Shield of Kansas City. The City's dental insurance is provided by Principal Life.

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

AWARDS AND ACKNOWLEDGMENTS

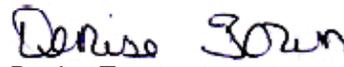
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Maryville for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2008. This was the first year that the City received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,


Matthew LeCerf
City Manager


Denise Town
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Maryville
Missouri

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

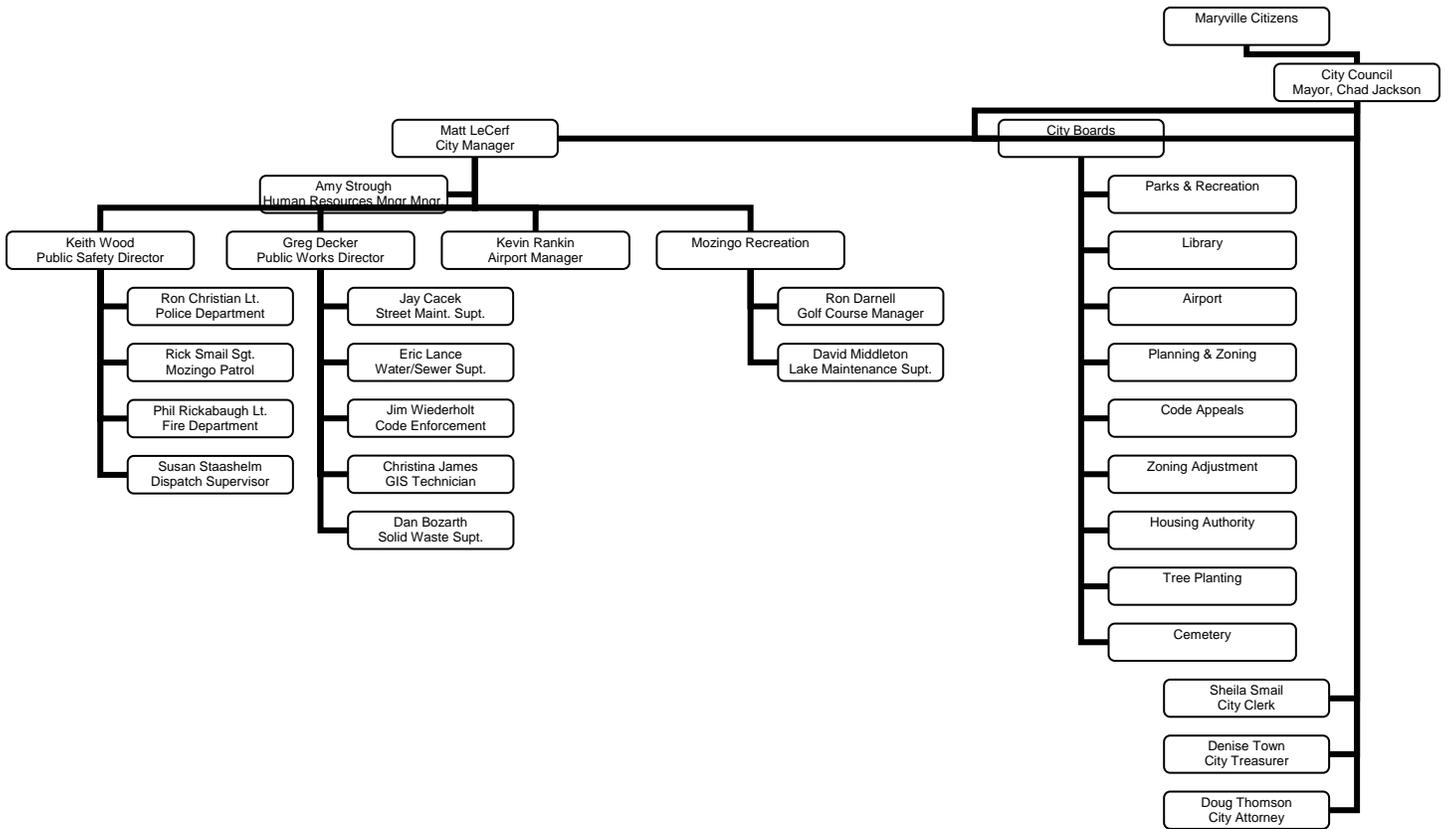


President

Executive Director

City of Maryville, Missouri

Organizational Chart Year Ended September 30, 2009



City of Maryville, Missouri

Principal Officials Year Ended September 30, 2009

Elected Officials

Title	Name
Mayor	Chad Jackson
Mayor Pro-Tem	Carole Coutts
Council Member	Patricia Cummings
Council Member	Ronnie Moss
Council Member	Shawn Wake

Administration

City Manager	Matthew LeCerf
City Clerk	Sheila Smail
Public Safety Director	R. Keith Wood
Public Works Director	Greg Decker
City Treasurer	Denise Town
City Attorney	Doug Thomson
Park & Recreation Director	Rod Auxier

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Financial Section

McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City Maryville, Missouri, as of and for the year ended September 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Maryville's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Maryville, Missouri, as of September 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 15, and in finding 09-II-A of our consideration of the City's internal control over financial reporting referenced below, the City of Maryville, Missouri restated beginning net assets to remove the previously reported discretely presented component unit from the City's reporting entity.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 2, 2010 on our consideration of the City of Maryville, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 14, and the Schedule of Funding Progress and Budgetary Comparison Information on pages 47 through 51 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Maryville, Missouri's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

McGladrey & Pullen, LLP

Kansas City, Missouri
February 2, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Maryville's (the City) financial statements presents a narrative overview and comparative analysis of the financial activities of the City for the fiscal year ended September 30, 2009.

We offer those interested in the City of Maryville's financial statements this narrative overview and analysis of the financial activities of the City of Maryville for the fiscal year ended September 30, 2009.

FINANCIAL HIGHLIGHTS

The assets of the City exceeded its liabilities at the close of the September 30, 2009 fiscal year by \$24,400,083 (net assets). The assets of the City exceeded its liabilities at the close of the September 30, 2008 fiscal year by \$23,012,208 (net assets).

The government's total net assets increased by \$1,387,875 and by \$3,008,511 for fiscal years September 30, 2009 and 2008, respectively.

As of the close of this current fiscal year, the City of Maryville's governmental funds reported combined ending fund balances of \$4,248,412, an increase of \$403,437 in comparison with the prior year. Approximately 52 percent of this total amount, \$2,221,464, is available for spending at the government's discretion (unreserved fund balance). As of the close of the September 30, 2008 fiscal year, the City of Maryville's governmental funds reported combined ending fund balances of \$3,844,975, an increase of \$1,504,049 in comparison with the prior year. Approximately 48 percent of the total amount, \$1,852,521, is available for spending at the government's discretion (unreserved fund balance).

At the end of the current fiscal year, unreserved fund balance for the General Fund was \$1,781,122, or 34.1 percent of total General Fund expenditures. For September 30, 2008, unreserved fund balance of the General Fund was \$1,477,003, or 25.0 percent of total General Fund expenditures.

The City of Maryville's total debt, excluding compensated absences, increased by \$1,214,708 (10.3 percent) during the current fiscal year.

City of Maryville, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2009

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

Governmental Funds

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

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

The City maintains six (6) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Park and Recreation Fund, the Community Center Construction Fund, and the Capital Improvements Fund which are considered to be major funds. Data from the remaining governmental funds, the TIF Fund and the Debt Retirement Fund, are combined into a single,

City of Maryville, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2009

aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds

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

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

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

Fiduciary Funds

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

Notes to the Financial Statements

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

Required Supplementary Information

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

Combining Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Net Assets

As noted earlier, net assets may serve as a useful indicator of a government's financial position. For the City, assets exceeded liabilities by \$24,400,083 at the close of the fiscal year ended September 30, 2009.

The largest portion of the City's net assets reflects its investment of \$19,090,642 (78.2 percent) in capital assets (e.g. land, buildings, and equipment), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated from these liabilities.

City of Maryville, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2009

Net Assets

	Governmental Activities 2009	Business-Type Activities 2009	Total 2009	Governmental Activities 2008	Business-Type Activities 2008	Total 2008
Assets						
Current and other assets	\$ 6,224,205	\$ 6,668,269	\$12,892,474	\$ 5,828,887	\$ 6,175,830	\$12,004,717
Capital assets	11,457,660	17,505,580	28,963,240	9,025,469	17,807,078	26,832,547
Total assets	<u>17,681,865</u>	<u>24,173,849</u>	<u>41,855,714</u>	<u>14,854,356</u>	<u>23,982,908</u>	<u>38,837,264</u>
Liabilities						
Noncurrent liabilities	8,237,152	5,882,818	14,119,970	6,502,450	6,086,321	12,588,771
Other liabilities	2,125,833	1,209,828	3,335,661	2,082,516	1,153,769	3,236,285
Total liabilities	<u>10,362,985</u>	<u>7,092,646</u>	<u>17,455,631</u>	<u>8,584,966</u>	<u>7,240,090</u>	<u>15,825,056</u>
Net Assets						
Invested in capital assets, net of related debt	6,185,728	12,904,914	19,090,642	5,949,774	12,849,367	18,799,141
Restricted	1,392,988	-	1,392,988	1,201,217	1,091,437	2,292,654
Unrestricted	(259,836)	4,176,289	9,916,453	(881,601)	2,802,014	1,920,413
Total net assets	<u>\$ 7,318,880</u>	<u>\$17,081,203</u>	<u>\$24,400,083</u>	<u>\$ 6,269,390</u>	<u>\$16,742,818</u>	<u>\$23,012,208</u>

An additional portion of the City of Maryville's net assets (5.7 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets is \$3,916,453.

At the end of the current fiscal year, the City of Maryville is not able to report positive balances in all three categories of net assets for the governmental activities due to the tax increment revenue bonds issued for construction of assets that are not City-owned.

City of Maryville, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2009

Analysis of Changes in Net Assets

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

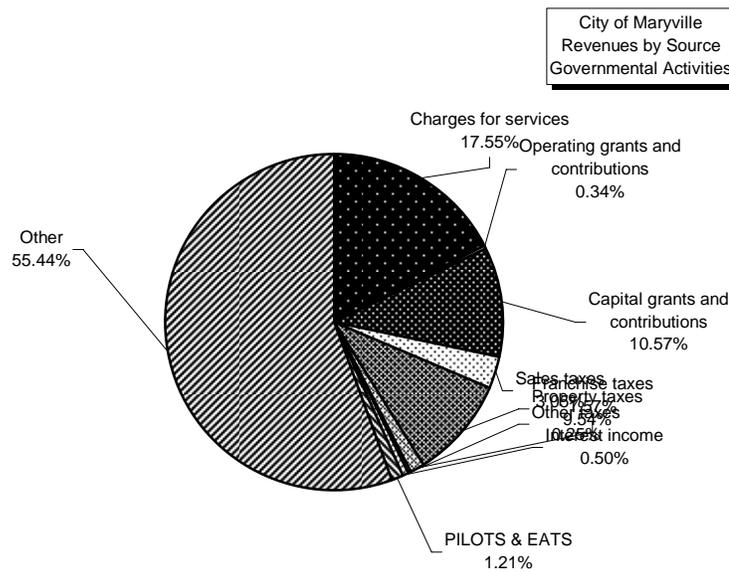
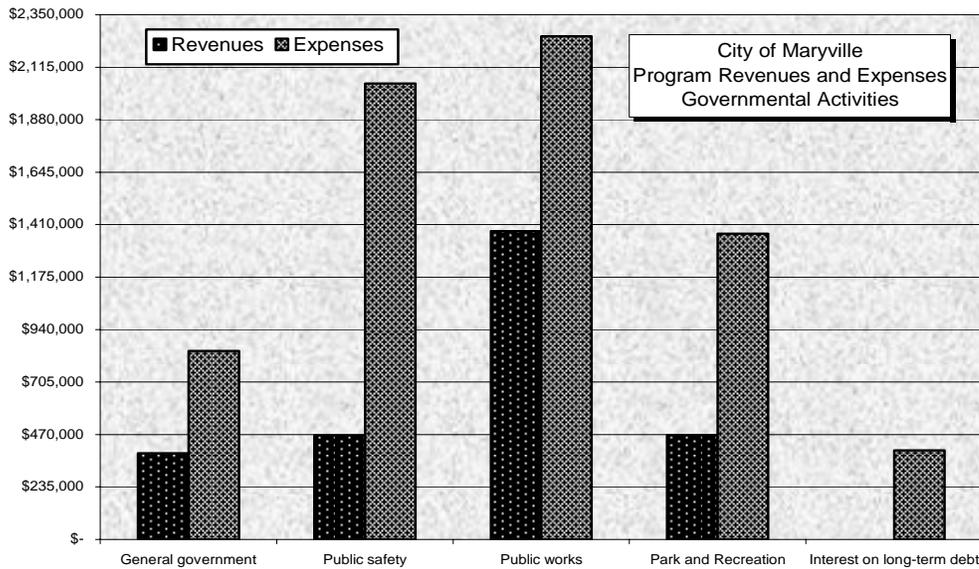
Changes in Net Assets

	Governmental Activities 2009	Business-Type Activities 2009	Total 2009	Governmental Activities 2008	Business-Type Activities 2008	Total 2008
Revenues:						
Program revenues:						
Charges for services	\$ 1,664,821	\$ 5,084,614	\$ 6,749,435	\$ 1,624,855	\$ 5,295,471	\$ 6,920,326
Operating grants and contributions	32,270	25,249	57,519	123,740	-	123,740
Capital grants and contributions	1,002,892	275,456	1,278,348	1,828,000	240,684	2,068,684
General revenues:						
Property taxes	1,023,334	-	1,023,334	971,527	-	971,527
Sales taxes	2,799,785	821,465	3,621,250	2,132,592	859,241	2,991,833
Franchise taxes	904,949	-	904,949	889,928	-	889,928
Other taxes	290,489	-	290,489	293,981	-	293,981
PILOTS & EATS-TIF	149,852	-	149,852	146,223	-	146,223
Interest income	23,387	51,873	75,260	76,987	147,648	224,635
Other	114,720	-	114,720	82,254	13,700	95,954
Total revenues	<u>8,006,499</u>	<u>6,258,657</u>	<u>14,265,156</u>	<u>8,170,087</u>	<u>6,556,744</u>	<u>14,726,831</u>
Expenses:						
General government	844,858	-	844,858	1,547,491	-	1,547,491
Public safety	2,043,053	-	2,043,053	1,982,827	-	1,982,827
Public works	2,253,884	-	2,253,884	897,955	-	897,955
Parks and recreation	1,368,933	-	1,368,933	1,317,098	-	1,317,098
Interest on long-term debt	399,091	-	399,091	281,591	-	281,591
Solid waste	-	754,271	754,271	-	719,249	719,249
Water and sewer	-	3,548,055	3,548,055	-	3,284,078	3,284,078
Mozingo recreation	-	1,665,136	1,665,136	-	1,688,031	1,688,031
Total expenses	<u>6,909,819</u>	<u>5,967,462</u>	<u>12,877,281</u>	<u>6,026,962</u>	<u>5,691,358</u>	<u>11,718,320</u>
Excess (deficiency) before transfers	1,096,680	291,195	1,387,875	2,143,125	865,386	3,008,511
Transfers	<u>(47,190)</u>	<u>47,190</u>	<u>-</u>	<u>11,614</u>	<u>(11,614)</u>	<u>-</u>
Increase (decrease) in net assets	1,049,490	338,385	1,387,875	2,154,739	853,772	3,008,511
Net assets, beginning	6,269,390	16,742,818	23,012,208	4,114,651	15,889,046	20,003,697
Net assets, ending	<u>\$ 7,318,880</u>	<u>\$17,081,203</u>	<u>\$24,400,083</u>	<u>\$ 6,269,390</u>	<u>\$16,742,818</u>	<u>\$23,012,208</u>

City of Maryville, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2009

Governmental activities. Governmental activities increased the City's net assets by \$1,049,490. The largest single revenue source for the City was sales tax, which increased by \$667,193 (31.3 percent) from 2008 due to an additional sales tax which became effective October 1, 2008. With this capital improvement sales tax in place, less money was expended from the general fund for capital improvements. Certain revenues are generated that are specific to governmental program activities. These totaled \$2,699,983 in 2009 and \$3,576,595 in 2008. \$4.22 million in general obligation bonds were issued in April 2009, of which \$1.9 million was used to finance the construction of an expansion to the Community Center, and \$2.32 million to refund existing general obligation bonds. The expansion project will be completed in fiscal year 2010.

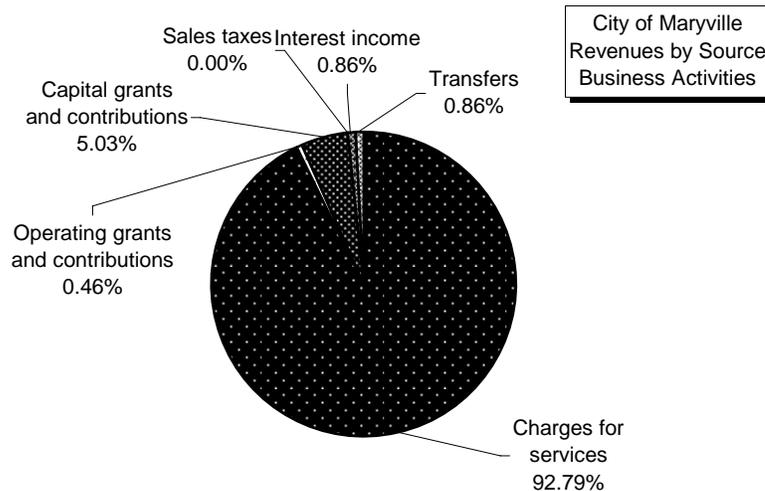
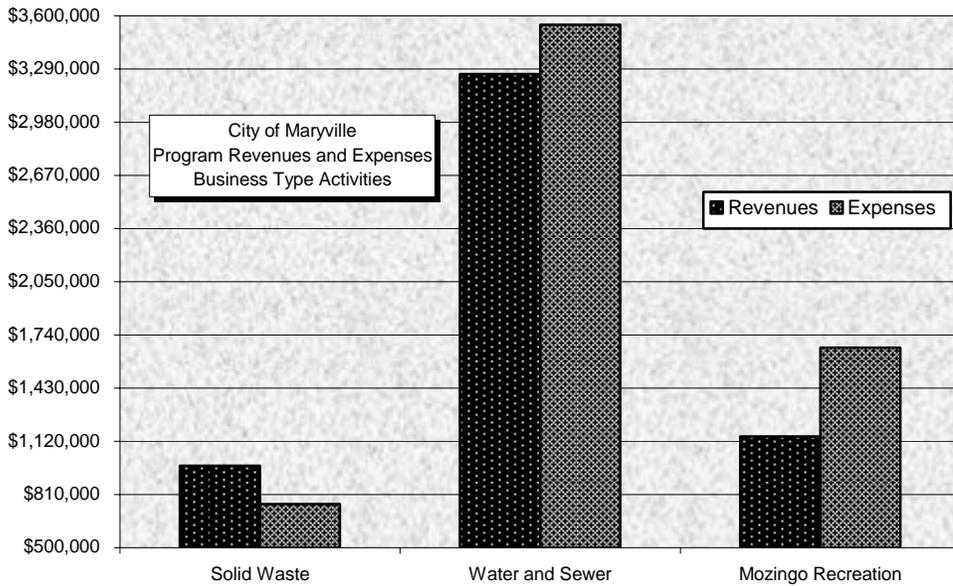


City of Maryville, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2009

As shown in the preceding two graphs, public works is the largest function in expense (32.6 percent), followed closely by public safety (29.5 percent) and park and recreation (19.8 percent). General revenues such as sales and property taxes are not shown by program, but are effectively used to support program activities citywide.

Business-type activities. Business-type activities increased the City's net assets by \$338,385. This is mainly due to a successful lawsuit settlement in the Solid Waste Fund. In the Mozingo Recreation Fund, capital contributions were received for trail development.



City of Maryville, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2009

As shown in the preceding two graphs for business-type activities' revenues, the largest of Maryville's business-type activities, Water and Sewer, had expenses of \$3,548,055, followed by Mozingo Recreation with operating expenses of \$1,665,136, and finally Solid Waste with \$754,271 in operating expenses. For the fiscal year, revenues exceeded expenses in two of the three activities. Fees provided the largest share of revenues (81.0 percent) followed by sales taxes (13.1 percent) collected for operations at Lake Mozingo.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

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

As of the end of the current fiscal year, the City of Maryville's governmental funds reported combined ending fund balances of \$4,248,412, an increase of \$403,437 in comparison with the prior year. Approximately 52 percent of this total amount, (\$2,221,464), constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed: 1) to pay debt service (\$1,009,199) and 2) for other restricted purposes (\$1,017,749).

As of the end of the September 30, 2008 fiscal year, the City of Maryville's governmental funds reported combined ending fund balances of \$3,844,975, an increase of \$1,504,049 in comparison with the prior year. Approximately 48 percent of this total amount, (\$1,852,521),

constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed: 1) to pay debt service (\$757,401) and 2) for other restricted purposes (\$1,235,053).

The General Fund is the chief operating fund of the City of Maryville. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$1,781,122, while total fund balance was \$1,785,041. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 34.1 percent of total General Fund expenditures, while total fund balance represents 34.2 percent of that same amount. The fund balance of the City of Maryville's General Fund increased by \$302,419 during the current fiscal year. This was mainly due to additional telecommunication franchise taxes now being collected on cellular phones; a construction project coming in under the estimated bid; and favorable insurance rates for health, worker's compensation, and liability.

The Park and Recreation Fund has a total fund balance of \$453,152. The net increase in fund balance during the current year was \$64,828. This was mainly due to conservative tax revenue estimates, and overestimating budgeted costs for personnel, fuel and utilities.

The Community Center Construction Fund has a total fund balance of \$537,151, which represents the net increase in fund balance also. General obligation bonds were issued during the year to expand the existing Community Center, which was not complete by September 30, 2009.

The Capital Improvements Fund has a total fund balance of \$729,486. The net decrease in fund balance during the current year was \$487,142. The decrease was caused mainly by significant street projects that were finished in the current fiscal year, with funding carried over from the previous year.

City of Maryville, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2009

General Fund Budgetary Highlights

Actual revenue exceeded the budget in a few categories due to conservative estimates for court fines and forfeitures, 911 tax, and gas franchise taxes. Telecommunication franchise taxes increased due to the settlement of lawsuits with various wireless providers in the previous year, and the budgeted revenue was underestimated. On the expenditure side, the cost estimates for the Safe Routes to School trail project were much higher than the actual bid, as were the estimates for all insurance rates.

Proprietary Funds

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

Unrestricted net assets of the Solid Waste Fund at the end of the year were \$(1,864,605); those for the Water and Sewer Fund were \$5,005,564; and those for the Mazingo Recreation Fund were \$1,035,330. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

Fiduciary Funds

The City maintains Fiduciary Funds for the assets of the Oak Hill Cemetery Perpetual Fund, the Municipal Court Agency Fund and the Library Tax Agency Fund. The monies held in the Cemetery Perpetual Care fund is to be used for the non-routine maintenance and care of the cemetery. The ongoing general repairs and maintenance are accounted for in the General Fund. Net assets at the end of the year were \$227,724 in the Oak Hill Cemetery Perpetual Fund.

City of Maryville, Missouri

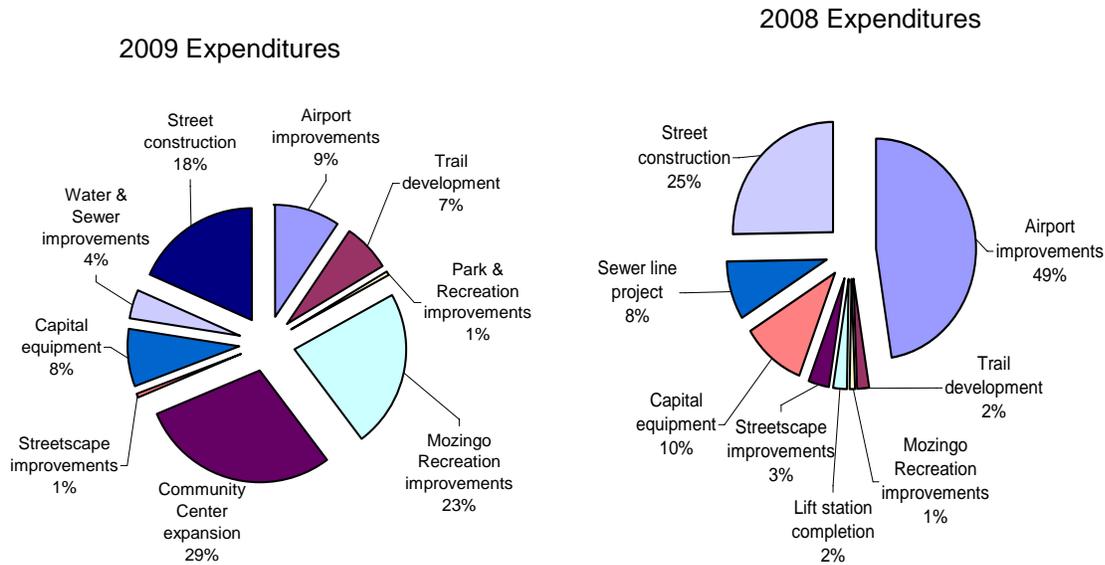
**Management’s Discussion and Analysis
For Fiscal Year Ended September 30, 2009**

Capital Asset and Debt Administration

Capital Assets. The City of Maryville’s investment in capital assets for its governmental and business-type activities as of September 30, 2009, amounts to \$28,963,240 (net of accumulated depreciation). This investment in capital assets includes land, intangible, construction in progress, buildings, improvements, machinery and equipment. Major capital asset expenditures during 2009 and 2008 include:

	<u>2009</u>	<u>2008</u>
Trail development	\$ 310,608	\$ 55,571
Community Center expansion	1,309,042	-
Street construction	832,635	773,342
Park and Recreation improvements	28,395	-
Water & Sewer improvements	187,209	-
Airport improvements	430,118	1,449,462
Lift station in progress	-	64,078
Sewer line project	-	255,270
Streetscape improvements	25,309	102,755
Mozingo recreation improvements	1,034,397	29,369
Capital equipment	373,144	316,013
	<u>\$ 4,530,857</u>	<u>\$ 3,045,860</u>

The following graph shows the capital expenditures by percentage:



City of Maryville, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2009

Capital Assets, Net of Depreciation

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 456,757	\$ 456,757	\$ 1,907,872	\$ 1,868,236	\$ 2,364,629	\$ 2,324,993
Intangible	-	-	165,854	165,854	165,854	165,854
Buildings	3,897,627	3,897,627	8,489,176	8,458,141	12,386,803	12,355,768
Improvements other than buildings	10,981,090	7,117,471	32,718,884	31,581,538	43,699,974	38,699,009
Construction in progress	1,523,900	2,460,232	60,873	47,282	1,584,773	2,507,514
Machinery and equipment	2,318,770	2,232,369	3,097,963	2,989,251	5,416,733	5,221,620
Accumulated depreciation	(7,720,484)	(7,138,987)	(28,935,042)	(27,303,224)	(36,655,526)	(34,442,211)
Total	\$11,457,660	\$ 9,025,469	\$ 17,505,580	\$17,807,078	\$ 28,963,240	\$ 26,832,547

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

Long-term debt. At the end of the current fiscal year, the City of Maryville had total bonded debt outstanding of \$4,220,000, which is debt backed by the full faith and credit of the government.

Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
General obligation bonds	\$ 4,220,000	\$ 2,565,000	\$ -	\$ -	\$ 4,220,000	\$ 2,565,000
TIF revenue bonds	2,500,000	2,545,000	-	-	2,500,000	2,545,000
Revenue bonds	-	-	3,170,000	4,150,000	3,170,000	4,150,000
Certificates of participation	1,730,000	1,730,000	-	-	1,730,000	1,730,000
Notes payable	-	-	77,429	92,296	77,429	92,296
Capital leases	50,896	-	1,264,094	715,415	1,314,990	715,415
Total	\$ 8,500,896	\$ 6,840,000	\$ 4,511,523	\$ 4,957,711	\$ 13,012,419	\$ 11,797,711

The City of Maryville's total debt increased by \$1,214,708 (10.3 percent) during the current fiscal year. Additional information on the City of Maryville's long-term debt can be found in Note 5 of this report.

Economic Factors and Next Year's Budgets and Rates

Economic development continues to be the main focus of the City Council, especially due to the current climate. The recession has resulted in an increase in unemployment in September 2008 to September 2009 from 1.7% to 5.9% respectively. Unemployment peaked in August 2009 at 7.4%. The recession breeds unemployment which subsequently results in a reduction of spending by the consumer and lowers tax revenues. The 2010 budget is reflective of this. Not including the revenue from other agencies (grants), there is a projected revenue decline of \$133,482 (-9.7%). Although FY 09-10 grant dollars are expected to increase compared to last fiscal year, the percentage decline in total revenues for the general fund still increases by 0.1%. The notable declines are attributed to various taxes and intergovernmental revenues. The general fund has no additional employees added to its operations. This is due to the facts that staffing levels are at adequate levels and are balanced against the current workload.

Critical to the City's future success is the development of an updated comprehensive plan to guide and focus the City's limited resources to provide the best opportunities. The new plan will address the multitude of issues facing the city, ranging from land use to economic development to housing and beyond. By setting goals and objectives, city officials can use the document to make policy decisions that effectively provide a coordinated approach for future growth. Thus, by setting a course of action to guide the City's development over the next twenty years, the City and its residents are much more likely to realize desired outcomes.

City of Maryville, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2009

Two major projects continuing on in fiscal year 2010 are downtown revitalization using enhancement funds from the Missouri Department of Transportation and community donations; and the Governor's Downtown Revitalization and Economic Assistance for Missouri (DREAM) Initiative, which provides planning assistance. Currently underway for fiscal year 2010 is retail marketing analysis, a downtown strategic plan and a marketing plan. In the Water/Sewer Fund, plans are underway to erect two new water towers to improve water distribution. The City is exploring its options to meet new wastewater treatment discharge requirements which go into effect in 2011. Mozingo Recreation is developing a new 10-year plan to guide park development of amenities such as cabins, RV sites, and ensuring the needs of its visitors are being met. In April 2008 a new 10-year capital improvements sales tax was passed to create funding for street improvements, capital equipment, water/sewer and storm water repairs, emergency siren system upgrades, and provide matching dollars for trail development.

Requests for Information

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

Basic Financial Statements

City of Maryville, Missouri

Statement of Net Assets

September 30, 2009

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash, cash equivalents and investments	\$ 2,402,298	\$ 5,665,689	\$ 8,067,987
Receivables, net:			
Taxes	1,455,250	110,511	1,565,761
Grants	615,722	63,824	679,546
Utilities	---	513,119	513,119
Accounts	14,781	---	14,781
Other	---	1,000	1,000
Internal balances	51,841	(51,841)	---
Inventory	4,928	138,394	143,322
Total Current Assets	<u>4,544,820</u>	<u>6,440,696</u>	<u>10,985,516</u>
Noncurrent Assets:			
Restricted assets:			
Cash, cash equivalents and investments	1,534,940	170,231	1,705,171
Bond issuance costs	144,445	57,342	201,787
Capital assets:			
Nondepreciable	1,980,657	2,134,599	4,115,256
Depreciable, net	<u>9,477,003</u>	<u>15,370,981</u>	<u>24,847,984</u>
Total Noncurrent Assets	<u>13,137,045</u>	<u>17,733,153</u>	<u>30,870,198</u>
Total Assets	<u>\$ 17,681,865</u>	<u>\$ 24,173,849</u>	<u>\$ 41,855,714</u>
LIABILITIES			
Current Liabilities:			
Accounts payable and accrued expenses	\$ 709,033	\$ 418,160	\$ 1,127,193
Refundable deposits	---	101,786	101,786
Accrued interest payable	14,511	27,731	42,242
Compensated absences payable	164,568	64,933	229,501
Unearned revenue	894,256	---	894,256
Long-term liabilities due within one year	<u>343,465</u>	<u>597,218</u>	<u>940,683</u>
Total Current Liabilities	<u>2,125,833</u>	<u>1,209,828</u>	<u>3,335,661</u>
Noncurrent Liabilities:			
Landfill post-closure liability	---	1,879,370	1,879,370
Bond discounts and premiums, net	79,721	89,143	168,864
Long-term liabilities due in more than one year	<u>8,157,431</u>	<u>3,914,305</u>	<u>12,071,736</u>
Total Noncurrent Liabilities	<u>8,237,152</u>	<u>5,882,818</u>	<u>14,119,970</u>
Total Liabilities	<u>10,362,985</u>	<u>7,092,646</u>	<u>17,455,631</u>
NET ASSETS			
Invested in capital assets, net of related debt	\$ 6,185,728	\$ 12,904,914	19,090,642
Restricted:			
Debt service	404,480	---	404,480
Tax increment financing project debt service	339,102	---	339,102
Park and recreation	453,152	---	453,152
Other purposes	196,254	---	196,254
Unrestricted	<u>(259,836)</u>	<u>4,176,289</u>	<u>3,916,453</u>
Total Net Assets	<u>7,318,880</u>	<u>17,081,203</u>	<u>24,400,083</u>
Total Liabilities and Net Assets	<u>\$ 17,681,865</u>	<u>\$ 24,173,849</u>	<u>\$ 41,855,714</u>

City of Maryville, Missouri

Statement of Activities

For the Year Ended September 30, 2009

Function/Programs	Program Revenues				Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental Activities:							
General government	\$ 844,858	\$ 386,139	\$ ---	\$ ---	\$ (458,719)	\$ ---	\$ (458,719)
Public safety	2,043,053	452,724	12,688	---	(1,577,641)	---	(1,577,641)
Public works	2,253,884	358,689	19,582	1,002,892	(872,721)	---	(872,721)
Park and recreation	1,368,933	467,269	---	---	(901,664)	---	(901,664)
Interest on long-term debt	399,091	---	---	---	(399,091)	---	(399,091)
Total Governmental Activities	6,909,819	1,664,821	32,270	1,002,892	(4,209,836)	---	(4,209,836)
Business-Type Activities:							
Solid Waste	754,271	977,333	---	---	---	223,062	223,062
Water/sewer utility	3,548,055	3,167,192	---	92,904	---	(287,959)	(287,959)
Mozingo Recreation	1,665,136	940,089	25,249	182,552	---	(517,246)	(517,246)
Total Business-Type Activities	5,967,462	5,084,614	25,249	275,456	---	(582,143)	(582,143)
Total Primary Government	\$ 12,877,281	\$ 6,749,435	\$ 57,519	\$ 1,278,348	\$ (4,209,836)	\$ (582,143)	\$ (4,791,979)

General Revenues:

Taxes:		
Property Taxes	1,023,334	1,023,334
Sales Taxes	2,799,785	3,621,250
Franchise Taxes	904,949	904,949
Other Taxes	290,489	290,489
PILOT & EATS - TIF	149,852	149,852
Interest	23,387	75,260
Other	114,720	114,720
Transfers	(47,190)	---
Total General Revenues and Transfers	5,259,326	6,179,854
Change in Net Assets	1,049,490	1,387,875
Net Assets - Beginning	6,269,390	23,012,208
Net Assets - Ending	\$ 7,318,880	\$ 24,400,083

City of Maryville, Missouri

Balance Sheet

Governmental Funds

September 30, 2009

	General Fund	Park and Recreation Fund	Community Center Construction Fund	Capital Improvements Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Cash, cash equivalents and investments	\$ 1,174,292	\$ 436,988	\$ ---	\$ 690,643	\$ ---	\$ 2,301,923
Receivables, net:						
Taxes	781,569	395,203	---	106,833	171,645	1,455,250
Grants	615,722	---	---	---	---	615,722
Accounts	10,820	---	---	---	3,961	14,781
Due from other funds	51,841	---	---	---	---	51,841
Restricted assets:						
Cash, cash equivalents and investments	3,919	12,810	808,685	---	709,526	1,534,940
Total Assets	<u>\$ 2,638,163</u>	<u>\$ 845,001</u>	<u>\$ 808,685</u>	<u>\$ 797,476</u>	<u>\$ 885,132</u>	<u>\$ 5,974,457</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued expenses	335,314	30,229	271,534	67,990	35	705,102
Deferred revenue	517,808	361,620	---	---	141,515	1,020,943
Total Liabilities	<u>853,122</u>	<u>391,849</u>	<u>271,534</u>	<u>67,990</u>	<u>141,550</u>	<u>1,726,045</u>
Fund Balances:						
Reserved for:						
Debt service	\$ ---	\$ ---	\$ 265,617	\$ ---	\$ 743,582	\$ 1,009,199
Other purposes	3,919	12,810	271,534	729,486	---	1,017,749
Unreserved:						
General Fund	1,781,122	---	---	---	---	1,781,122
Special revenue fund	---	440,342	---	---	---	440,342
Total Fund Balances	<u>1,785,041</u>	<u>453,152</u>	<u>537,151</u>	<u>729,486</u>	<u>743,582</u>	<u>4,248,412</u>
Total Liabilities and Fund Balances	<u>\$ 2,638,163</u>	<u>\$ 845,001</u>	<u>\$ 808,685</u>	<u>\$ 797,476</u>	<u>\$ 885,132</u>	<u>\$ 5,974,457</u>

City of Maryville, Missouri

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

September 30, 2009

Fund Balances - Total Governmental Funds	\$ 4,248,412
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets net of depreciation are not financial resources and are not reported in governmental funds.	11,451,846
Long-term debt and compensated absences are not due and payable with current financial resources and are not reported in governmental funds.	
General obligation and TIF revenue bonds	(6,720,000)
Certificates of participation	(1,730,000)
Capital leases	(50,896)
Compensated absences	(163,763)
Bond issuance costs	144,445
Bond discount	57,114
Bond premium	(136,835)
Accrued interest payable for the current portion of interest due on general obligation bonds has not been reported in the governmental funds.	(14,511)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	126,687
Internal service funds are used by management to charge the costs of certain activities, such as insurance and vehicles, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	<u>106,381</u>
Net assets of governmental activities	<u><u>\$ 7,318,880</u></u>

City of Maryville, Missouri
Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended September 30, 2009

	General Fund	Park and Recreation Fund	Community Center Construction Fund	Capital Improvements Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 3,562,726	\$ 627,871	\$ ---	\$ 762,778	\$ 507,830	\$ 5,461,205
Licenses and permits	72,647	---	---	---	---	72,647
Intergovernmental revenues	1,312,175	---	---	---	---	1,312,175
Charges for services	11,749	467,269	---	---	---	479,018
Fines and forfeitures	448,312	---	---	---	---	448,312
Interest	13,566	2,201	1,973	3,122	2,525	23,387
Other	138,949	25,121	---	---	---	164,070
Total Revenues	<u>5,560,124</u>	<u>1,122,462</u>	<u>1,973</u>	<u>765,900</u>	<u>510,355</u>	<u>7,960,814</u>
EXPENDITURES						
Current:						
General government	1,198,202	---	---	---	---	1,198,202
Public safety	2,056,542	---	---	---	---	2,056,542
Public works	1,957,843	---	---	---	---	1,957,843
Park and recreation	---	1,054,628	---	---	---	1,054,628
Capital outlay	---	---	1,351,313	1,223,305	20,679	2,595,297
Debt service:						
Principal retirement	5,993	---	---	---	285,000	290,993
Interest and fiscal charges	3,620	---	---	70,227	267,085	340,932
Bond issuance costs	---	---	45,401	---	55,789	101,190
Total expenditures	<u>5,222,200</u>	<u>1,054,628</u>	<u>1,396,714</u>	<u>1,293,532</u>	<u>628,553</u>	<u>9,595,627</u>
Excess of revenues over (under) expenditures	337,924	67,834	(1,394,741)	(527,632)	(118,198)	(1,634,813)
OTHER FINANCING SOURCES (USES)						
Transfers in	40,870	---	---	50,000	51,596	142,466
Transfers out	(133,264)	(3,006)	---	(9,510)	(3,006)	(148,786)
Bond Premium	---	---	31,892	---	109,547	141,439
Issuance of long-term debt	56,889	---	1,900,000	---	---	1,956,889
Issuance of refunding bonds	---	---	---	---	2,320,000	2,320,000
Payment to refunded bond escrow agent	---	---	---	---	(2,373,758)	(2,373,758)
Total other financing sources (uses)	<u>(35,505)</u>	<u>(3,006)</u>	<u>1,931,892</u>	<u>40,490</u>	<u>104,379</u>	<u>2,038,250</u>
Net change in fund balances	302,419	64,828	537,151	(487,142)	(13,819)	403,437
Fund balances - Beginning	<u>1,482,622</u>	<u>388,324</u>	<u>---</u>	<u>1,216,628</u>	<u>757,401</u>	<u>3,844,975</u>
Fund balances - Ending	<u>\$ 1,785,041</u>	<u>\$ 453,152</u>	<u>\$ 537,151</u>	<u>\$ 729,486</u>	<u>\$ 743,582</u>	<u>\$ 4,248,412</u>

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

For the Year Ended September 30, 2009

Net change in fund balances - Total governmental funds	\$ 403,437
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense.	
Capital outlay	3,001,888
Capital contributions	102,678
Depreciation expense	(661,773)
Loss on disposal of capital assets	(8,714)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	290,993
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets:	
Issuance of long-term debt	(4,276,889)
Refunded bonds	2,325,000
Bond issuance costs	101,190
Bond premium	(141,439)
Amortization of issuance costs and discount	(4,798)
Accrued interest payable for general obligation bonds. This is the net change in accrued interest for the current period.	(4,603)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the net change in deferred revenue for the current period.	(56,993)
To record as an expense the net change in compensated absences in the Statement of Activities	(19,369)
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and insurance, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities.	(1,118)
Change in net assets of governmental activities	<u>\$ 1,049,490</u>

City of Maryville, Missouri

Statement of Net Assets

Proprietary Funds

September 30, 2009

	Solid Waste Fund	Water and Sewer Fund	Mozingo Recreation Fund	Totals	Governmental Activities - Internal Service Funds
ASSETS					
Current:					
Cash, cash equivalents and investments	\$ 340,044	\$ 4,258,779	\$ 1,066,866	\$ 5,665,689	\$ 100,375
Receivables, net:					
Taxes	---	---	110,511	110,511	---
Grants	---	---	63,824	63,824	---
Utilities	30,363	482,756	---	513,119	---
Other	---	1,000	---	1,000	---
Due from other funds	---	249,625	---	249,625	---
Inventory	---	126,773	11,621	138,394	4,928
Total Current Assets	<u>370,407</u>	<u>5,118,933</u>	<u>1,252,822</u>	<u>6,742,162</u>	<u>105,303</u>
Noncurrent:					
Restricted assets:					
Cash, cash equivalents and investments	---	170,231	---	170,231	---
Bond issue costs	---	57,342	---	57,342	---
Capital assets:					
Nondepreciable	162,599	1,972,000	---	2,134,599	---
Depreciable, net	410,976	11,842,481	3,117,524	15,370,981	5,814
Total Noncurrent Assets	<u>573,575</u>	<u>14,042,054</u>	<u>3,117,524</u>	<u>17,733,153</u>	<u>5,814</u>
Total Assets	<u>\$ 943,982</u>	<u>\$ 19,160,987</u>	<u>\$ 4,370,346</u>	<u>\$ 24,475,315</u>	<u>\$ 111,117</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Current:					
Accounts payable and accrued expenses	48,291	204,174	165,695	418,160	3,931
Refundable deposits	---	92,786	9,000	101,786	---
Accrued interest payable	---	27,731	---	27,731	---
Compensated absences payable	5,885	16,251	42,797	64,933	805
Due to other funds	301,466	---	---	301,466	---
Current portion of long term debt	10,651	490,094	96,473	597,218	---
Total Current Liabilities	<u>366,293</u>	<u>831,036</u>	<u>313,965</u>	<u>1,511,294</u>	<u>4,736</u>
Noncurrent:					
Revenue bonds	---	2,860,000	---	2,860,000	---
Note payable	---	61,645	---	61,645	---
Lease obligations payable	48,627	260,936	683,097	992,660	---
Bond premium	---	89,143	---	89,143	---
Landfill post-closure liability	1,879,370	---	---	1,879,370	---
Total Noncurrent Liabilities	<u>1,927,997</u>	<u>3,271,724</u>	<u>683,097</u>	<u>5,882,818</u>	<u>---</u>
Total Liabilities	<u>2,294,290</u>	<u>4,102,760</u>	<u>997,062</u>	<u>7,394,112</u>	<u>4,736</u>
Net assets (deficits):					
Invested in capital assets, net of related debt	514,297	10,052,663	2,337,954	12,904,914	5,814
Restricted for debt service	---	---	---	---	---
Unrestricted	(1,864,605)	5,005,564	1,035,330	4,176,289	100,567
Total net assets (deficits)	<u>(1,350,308)</u>	<u>15,058,227</u>	<u>3,373,284</u>	<u>17,081,203</u>	<u>106,381</u>
Total Liabilities and Net Assets	<u>\$ 943,982</u>	<u>\$ 19,160,987</u>	<u>\$ 4,370,346</u>	<u>\$ 24,475,315</u>	<u>\$ 111,117</u>

City of Maryville, Missouri
Statement of Revenues, Expenses, and Changes in Net Assets (Deficit)

Proprietary Funds

For the Year Ended September 30, 2009

	Solid Waste Fund	Water and Sewer Fund	Mozingo Recreation Fund	Totals	Governmental Activities - Internal Service Funds
Operating Revenues:					
Charges for services	\$ 626,689	\$ 3,158,663	\$ 931,333	\$ 4,716,685	\$ 881,639
Miscellaneous	350,644	8,529	8,756	367,929	---
Total Operating Revenues	<u>977,333</u>	<u>3,167,192</u>	<u>940,089</u>	<u>5,084,614</u>	<u>881,639</u>
Operating Expenses:					
Personnel	122,113	375,321	821,474	1,318,908	56,960
Contractual services	564,370	1,454,108	288,312	2,306,790	792,446
Commodities	14,223	116,028	248,872	379,123	31,463
Depreciation	50,744	1,384,234	289,408	1,724,386	1,888
Total operating expenses	<u>751,450</u>	<u>3,329,691</u>	<u>1,648,066</u>	<u>5,729,207</u>	<u>882,757</u>
Operating income (loss)	225,883	(162,499)	(707,977)	(644,593)	(1,118)
Nonoperating Revenues (Expenses):					
Taxes	---	---	821,465	821,465	---
Intergovernmental	---	---	25,249	25,249	---
Interest income	1,394	45,535	4,944	51,873	---
Interest expenses and fees	(2,821)	(218,364)	(17,070)	(238,255)	---
Total Nonoperating Revenues (Expenses)	<u>(1,427)</u>	<u>(172,829)</u>	<u>834,588</u>	<u>660,332</u>	<u>---</u>
Income (loss) before transfers and capital contributions	224,456	(335,328)	126,611	15,739	(1,118)
Capital contributions	---	92,904	182,552	275,456	---
Transfers in	59,215	---	---	59,215	---
Transfers out	---	---	(12,025)	(12,025)	---
Change in net assets	283,671	(242,424)	297,138	338,385	(1,118)
Total Net Assets (Deficit) - Beginning	<u>(1,633,979)</u>	<u>15,300,651</u>	<u>3,076,146</u>	<u>16,742,818</u>	<u>107,499</u>
Total Net Assets (Deficit) - Ending	<u>\$ (1,350,308)</u>	<u>\$ 15,058,227</u>	<u>\$ 3,373,284</u>	<u>\$ 17,081,203</u>	<u>\$ 106,381</u>

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City of Maryville, Missouri

Statement of Cash Flows

Proprietary Funds

For the Year Ended September 30, 2009

	Solid Waste Fund	Water and Sewer Fund	Mozingo Recreation Fund	Totals	Governmental Activities - Internal Service Funds
Cash Flows from Operating Activities:					
Cash Received from Customers	\$ 648,526	\$ 3,190,932	\$ 931,068	\$ 4,770,526	\$ 883,131
Cash Paid to Suppliers	(593,272)	(1,473,561)	(503,026)	(2,569,859)	(837,722)
Cash Paid to Employees	(122,064)	(371,504)	(821,611)	(1,315,179)	(46,657)
Other Operating	350,644	8,529	8,756	367,929	---
Net Cash Provided by (used in) Operating Activities	<u>283,834</u>	<u>1,354,396</u>	<u>(384,813)</u>	<u>1,253,417</u>	<u>(1,248)</u>
Cash Flows from Non-Capital Financing Activities:					
Sales Tax	---	---	825,731	825,731	---
Transfers from other funds	59,215	---	---	59,215	---
Transfers to other funds	---	---	(12,025)	(12,025)	---
Net Cash Provided by Non-Capital Financing Activities	<u>59,215</u>	<u>---</u>	<u>813,706</u>	<u>872,921</u>	<u>---</u>
Cash Flows from Capital and Related Financing Activities:					
Capital contributions, cash	---	92,904	143,977	236,881	---
Proceeds from issuance of debt, net of premium	---	3,259,143	---	3,259,143	---
Cost of issuance of revenue bonds	---	(64,143)	---	(64,143)	---
Purchase of Capital Assets	---	(204,982)	(359,438)	(564,420)	---
Principal Payments on Capital Debt	(10,199)	(377,607)	(42,835)	(430,641)	---
Payment to escrow agent for bond refunding	---	(4,109,000)	---	(4,109,000)	---
Interest Paid on Capital Debt	(2,821)	(131,019)	(17,070)	(150,910)	---
Net Cash (used in) Capital and Related Financing Activities	<u>(13,020)</u>	<u>(1,534,704)</u>	<u>(275,366)</u>	<u>(1,823,090)</u>	<u>---</u>
Cash Flows from Investing Activities:					
Income Received on Investments	1,394	45,535	4,944	51,873	---
Purchase of investments	---	(1,400,000)	---	(1,400,000)	---
Maturity of investments	---	1,100,000	---	1,100,000	---
Net Cash Provided by (used in) Investing Activities	<u>1,394</u>	<u>(254,465)</u>	<u>4,944</u>	<u>(248,127)</u>	<u>---</u>
Net Increase (Decrease) in Cash and Cash Equivalents	331,423	(434,773)	158,471	55,121	(1,248)
Cash and Cash Equivalents, beginning of year	<u>8,621</u>	<u>3,463,783</u>	<u>908,395</u>	<u>4,380,799</u>	<u>101,623</u>
Cash and Cash Equivalents, end of year	<u>\$ 340,044</u>	<u>\$ 3,029,010</u>	<u>\$ 1,066,866</u>	<u>\$ 4,435,920</u>	<u>\$ 100,375</u>

(continued)

City of Maryville, Missouri

Statement of Cash Flows (Continued)

Proprietary Funds

For the Year Ended September 30, 2009

	Solid Waste Fund	Water and Sewer Fund	Mozingo Recreation Fund	Totals	Governmental Activities - Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash					
Provided by (used in) Operating Activities:					
Operating income (loss)	\$ 225,883	\$ (162,499)	\$ (707,977)	\$ (644,593)	\$ (1,118)
Adjustments to reconcile operating income (loss)					
to net cash provided by (used in) operating activities:					
Depreciation	50,744	1,384,234	289,408	1,724,386	1,888
Change in assets and liabilities:					
Receivables	21,837	(8,280)	---	13,557	895
Inventory	---	(22,354)	(11,621)	(33,975)	178
Accounts payable and accrued expenses	(14,679)	118,929	45,779	150,029	(3,126)
Compensated absences	49	3,817	(137)	3,729	35
Deposits	---	40,549	(265)	40,284	---
Net Cash Provided by (used in) Operating Activities	\$ 283,834	\$ 1,354,396	\$ (384,813)	\$ 1,253,417	\$ (1,248)
Reconciliation of cash and cash equivalents to					
specific assets on the statement of net assets:					
Cash and cash equivalents	\$ 340,044	\$ 2,858,779	\$ 1,066,866	\$ 4,265,689	\$ 100,375
Restricted cash and cash equivalents	---	170,231	---	170,231	---
Investments in certificates of deposit	---	1,400,000	---	1,400,000	---
	\$ 340,044	\$ 4,429,010	\$ 1,066,866	\$ 5,835,920	\$ 100,375
Schedule of Noncash Capital and Related					
Financing Activities:					
Change in capital asset acquisitions through					
accounts payable	\$ ---	\$ (2,773)	\$ 46,788	\$ 44,015	\$ ---
Amortization of loss on refunding bonds of \$109,000					
and amortization of bond premiums and issue costs					
of \$6,801, as a component of interest expense	---	115,801	---	115,801	---
Acquisition of capital assets through issuance of					
capital lease	---	---	814,453	814,453	---

City of Maryville, Missouri
Statement of Fiduciary Net Assets

Fiduciary Funds

September 30, 2009

	<u>Private Purpose Trust Fund</u>	<u>Agency Funds</u>	<u>Total</u>
ASSETS			
Cash, cash equivalents and investments	\$ 227,724	\$ 24,641	\$ 252,365
Receivables, net:			
Taxes	---	190,000	190,000
Accounts	---	2,728	2,728
Total Assets	<u>\$ 227,724</u>	<u>\$ 217,369</u>	<u>\$ 445,093</u>
LIABILITIES			
Court bonds payable	---	27,369	27,369
Due to othe governments	---	190,000	190,000
Total Liabilities	<u>---</u>	<u>217,369</u>	<u>217,369</u>
NET ASSETS			
Held in trust for other purposes	<u>\$ 227,724</u>	<u>\$ ---</u>	<u>\$ 227,724</u>

City of Maryville, Missouri

Statement of Changes in Fiduciary Net Assets

Fiduciary Fund

For the Year Ended September 30, 2009

	<u>Private Purpose Trust Fund</u>
ADDITIONS	
Interest income	\$ 4,342
Total Additions	<u>4,342</u>
DEDUCTIONS	
Contractual services	<u>40,870</u>
Total Deductions	<u>40,870</u>
Change in Net Assets	(36,528)
Net assets - beginning	<u>264,252</u>
Net assets - ending	<u><u>\$ 227,724</u></u>

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City of Maryville, Missouri

Notes to Basic Financial Statements

1. Summary of Significant Accounting Policies:

The City of Maryville, Missouri (the City) was incorporated in 1869 and covers an area of approximately 4.4 square miles in Nodaway County, Missouri approximately 95 miles north of Kansas City, Missouri. The City is a city of the third class and operates under the Council-Manager form of government. The City Manager is the chief administrative officer of the City. The City provides services to its more than 10,500 residents, including law enforcement, fire protection, water and sewer services, community enrichment and development, and various social services. The Maryville R-II School District, a separate governmental entity, provides educational services.

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

Financial Reporting Entity

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

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

Government-Wide and Fund Financial Statements:

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

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

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

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

City of Maryville, Missouri

Notes to Basic Financial Statements

1. Summary of Significant Accounting Policies, continued

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

Fund Accounting:

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

Governmental Fund Types:

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

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

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

The **Park and Recreation Fund** is a Special Revenue Fund used to account for the maintenance and improvement of all City park facilities and the development and supervision of various recreation programs.

The **Community Center Construction Fund** is a Special Revenue Fund used to account for all resources used in the construction of the Community Center expansion and related new equipment purchases.

The **Capital Improvements Fund** is a Special Revenue Fund used to account for all resources used in the acquisition and construction of capital facilities and other capital assets, with the exception of those that are financed through proprietary funds. The Capital Improvements Fund of the City is used to account for transactions related to projects primarily financed through the City's 1/8 cent sales tax for capital improvements.

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

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

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

Proprietary Fund Types

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

City of Maryville, Missouri

Notes to Basic Financial Statements

1. Summary of Significant Accounting Policies, continued

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20 *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Proprietary Funds apply Financial Accounting Standards Board (FASB) pronouncements, Accounting Principles Board (APB) opinions and Accounting Research Bulletins (ARBs) issued on or before November 30, 1989, except those pronouncements that conflict with or contradict GASB pronouncements. The City elected not to apply FASB guidance issued after December 1, 1989. The Enterprise Funds of the City are all major funds and consist of the Solid Waste Fund, Water and Sewer Fund and the Mozingo Recreation Fund.

Additionally, the City reports the following fund types:

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

Fiduciary Fund Types

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

Private Purpose Trust Funds account for assets held by the City in its capacity as a trustee. Private Purpose Trust Funds are utilized for assets whereby the principal may not be spent and are accounted for using the same measurement focus as Proprietary Funds. The Private Purpose Trust Fund of the City is the Oak Hill Cemetery Perpetual Care Trust Fund.

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

Measurement Focus and Basis of Accounting

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

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

Property taxes, sales and franchise taxes, reduced by an appropriate allowance for uncollectible taxes, associated with the current fiscal period are all considered to be susceptible to accrual and so have been

City of Maryville, Missouri

Notes to Basic Financial Statements

1. Summary of Significant Accounting Policies, continued

recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the City receives cash.

Property taxes are recognized as a receivable at the time they become an enforceable legal claim. The current taxes receivable represent the 2009 levy plus any uncollected amount from the 2008 levy. Property taxes that are not available for current year operations are shown as deferred revenue. As the 2009 levy is intended for use in the 2010 fiscal year, the revenue is recorded as deferred revenue. Property taxes are levied each year on all taxable real and personal property in the City. The City's property tax is levied each September 1 on the assessed value as of the prior January 1. On January 1, a lien attached to all property for which taxes are unpaid.

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

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

Cash and Investments

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

Cash and Cash Equivalents

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

Restricted Assets

Certain proceeds of the City's Water/Sewer fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net assets because they are maintained separately and their use is limited by applicable bond covenants. The revenue bond renewal and replacement account is used to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements. Cash in the Water/Sewer Fund is also restricted for repayment of refundable water deposits. In the governmental activities, the cash in the Debt Service Fund and TIF Fund is restricted for payments of bond principal and interest and related charges. Restricted assets in the General Fund and Park and Recreation Fund are specific donations for the City's Tree Committee, and for parks and recreation program scholarships. Restricted assets in the Community Center Construction Fund are unspent bond proceeds.

City of Maryville, Missouri

Notes to Basic Financial Statements

1. Summary of Significant Accounting Policies, continued

Receivables

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

Inventory

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

Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during the year ended September 30, 2009.

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

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

Deferred and Unearned Revenues

The City's deferred and unearned revenue in the governmental funds represent amounts due, which are measurable, but not available. Unearned revenue in the statement of net assets and proprietary funds represents property tax levied for future fiscal years and receipts that the City has not met all eligibility requirements imposed by the provider.

City of Maryville, Missouri

Notes to Basic Financial Statements

1. Summary of Significant Accounting Policies, continued

Interfund Transactions

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

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

Compensated Absences

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

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

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

Estimates

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

Fund Equity

Reservations of fund balances represent amounts that are not appropriated or are legally segregated for a specific purpose. Reservations of fund balances are mainly for capital improvement purposes. Restrictions of net assets are limited to outside third-party restrictions. Designations of fund balance represent tentative management plans that are subject to change.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets invested in capital assets, net of related debt, excludes unspent debt proceeds of \$808,685. Net assets are reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. Net assets restricted through enabling legislation consist of \$404,480

City of Maryville, Missouri

Notes to Basic Financial Statements

1. Summary of Significant Accounting Policies, continued

for debt service, \$339,102 for tax increment financing project, \$453,152 for park and recreation and \$196,254 for other purposes.

Long-Term Obligations

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

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

2. Deposits and Investments

Authorized Investments

Missouri State Statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. Agencies, obligations of state and local government entities, certificates of deposit and repurchase agreements. As of September 30, 2009, the City's funds were in depository accounts and certificates of deposit.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer maturity of an investment means the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits investment maturities to 24 months.

Credit Risk

Generally, credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As of September 30, 2009, the City did not have investments required to be rated.

Concentration of Credit Risk

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

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure to the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the

City of Maryville, Missouri

Notes to Basic Financial Statements

2. Deposits and Investments, continued

value of its investment or collateral securities that are in the possession of another party. The City's investment policy requires all investments and deposits which exceed the financial institution's insurance limits shall be secured by eligible collateral. The fair value of the collateral must be equal to or greater than 110% of the value of the total deposits less the amount of insurance coverage. Collateral must be held by an independent third party. As of September 30, 2009, the City was not exposed to custodial credit risk for deposits or investments.

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

3. Accounts Receivable

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

<u>Governmental Funds:</u>	<u>General Fund</u>	<u>Park and Recreation Fund</u>	<u>Debt Service Fund</u>	<u>Capital Improvements Fund</u>	<u>Total</u>
Taxes:					
Property taxes	\$ 401,057	\$ 371,557	\$ 145,223	\$ -	\$ 917,837
Sales tax	221,024	26,578	27,521	106,833	381,956
Franchise taxes	<u>162,420</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>162,420</u>
Gross taxes	784,501	398,135	172,744	106,833	1,462,213
Less: Allowance for Uncollectibles	<u>(2,932)</u>	<u>(2,932)</u>	<u>(1,099)</u>	<u>-</u>	<u>(6,963)</u>
Total Taxes Receivables	<u>\$ 781,569</u>	<u>\$ 395,203</u>	<u>\$ 171,645</u>	<u>\$ 106,833</u>	<u>\$ 1,455,250</u>

Enterprise Funds:

	<u>Mozingo Recreation Fund</u>
Taxes:	
Sales tax	<u>\$ 110,511</u>
Total Taxes Receivable	<u>\$ 110,511</u>

4. Capital Assets

The following is a summary of changes in capital assets for the year ended September 30, 2009

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 456,757	\$ -	\$ -	\$ 456,757
Construction in progress	<u>2,460,232</u>	<u>1,494,720</u>	<u>2,431,052</u>	<u>1,523,900</u>
Total capital assets not being depreciated	<u>2,916,989</u>	<u>1,494,720</u>	<u>2,431,052</u>	<u>1,980,657</u>
Capital assets, being depreciated:				
Buildings	3,897,627	-	-	3,897,627
Improvements other than buildings	<u>7,117,471</u>	<u>3,872,439</u>	<u>8,820</u>	<u>10,981,090</u>

City of Maryville, Missouri

Notes to Basic Financial Statements

4. Capital Assets, continued

Machinery and equipment	2,232,369	168,459	82,058	2,318,770
Total capital assets being depreciated	<u>13,247,467</u>	<u>4,040,898</u>	<u>90,878</u>	<u>17,197,487</u>
Less accumulated depreciation for:				
Buildings	1,415,124	170,087	-	1,585,211
Improvements other than buildings	3,828,277	352,320	4,190	4,176,407
Machinery and equipment	1,895,586	141,254	77,974	1,958,866
Total accumulated depreciated	<u>7,138,987</u>	<u>663,661</u>	<u>82,164</u>	<u>7,720,484</u>
Total capital assets being depreciated, net	<u>6,108,480</u>	<u>3,377,237</u>	<u>8,714</u>	<u>9,477,003</u>
Governmental activities capital assets, net	<u>\$ 9,025,469</u>	<u>\$ 4,871,957</u>	<u>\$ 2,439,766</u>	<u>\$11,457,660</u>

Business Type Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 1,868,236	\$ 39,636	\$ -	\$ 1,907,872
Intangible asset	165,854	-	-	165,854
Construction in progress	47,282	60,873	47,282	60,873
Total capital assets not being depreciated	<u>2,081,372</u>	<u>100,509</u>	<u>47,282</u>	<u>2,134,599</u>
Capital assets, being depreciated:				
Buildings	8,458,140	31,036	-	8,489,176
Improvements other than buildings	31,581,538	1,137,346	-	32,718,884
Machinery and equipment	2,989,252	201,279	92,568	3,097,963
Total capital assets being depreciated	<u>43,028,930</u>	<u>1,369,661</u>	<u>92,568</u>	<u>44,306,023</u>
Less accumulated depreciation for:				
Buildings	3,248,703	406,394	-	3,655,097
Improvements other than buildings	21,912,276	1,116,515	-	23,028,791
Machinery and equipment	2,142,245	201,477	92,568	2,251,154
Total accumulated depreciated	<u>27,303,224</u>	<u>1,724,386</u>	<u>92,568</u>	<u>28,935,042</u>
Total capital assets being depreciated, net	<u>15,725,706</u>	<u>(354,725)</u>	<u>-</u>	<u>15,370,981</u>
Business type activities capital assets, net	<u>\$ 17,807,078</u>	<u>\$ (254,216)</u>	<u>\$ (47,282)</u>	<u>\$ 17,505,580</u>

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

Governmental Activities:

General government	\$ 37,495
Public safety	68,046
Public works	186,472
Parks and recreation	339,760
Internal service	<u>1,888</u>
Total depreciation expense, governmental activities	<u>\$ 663,661</u>

City of Maryville, Missouri

Notes to Basic Financial Statements

5. Long-Term Debt

The following is a summary of changes in long-term debt for the year ended September 30, 2009:

	Balance September 30, 2008	Additions	Retirements	Balance September 30, 2009	Due Within One Year
Governmental Activities:					
Capital leases	\$ -	\$ 56,889	\$ 5,993	\$ 50,896	\$ 18,465
General obligation bonds	2,565,000	4,220,000	2,565,000	4,220,000	75,000
TIF revenue bonds	2,545,000	-	45,000	2,500,000	60,000
Certificates of participation	1,730,000	-	-	1,730,000	190,000
Compensated absences	145,164	145,251	125,847	164,568	164,568
	<u>\$ 6,985,164</u>	<u>\$ 4,419,393</u>	<u>\$ 2,739,093</u>	<u>\$ 8,665,464</u>	<u>\$ 508,033</u>
Business-Type Activities:					
Revenue bonds	\$ 4,150,000	\$ 3,170,000	\$ 4,150,000	\$ 3,170,000	\$ 310,000
Capital leases	715,415	814,453	265,774	1,264,094	271,434
Note payable	92,296	-	14,867	77,429	15,784
Landfill post-closure liability	1,879,370	-	-	1,879,370	-
Compensated absences	61,204	51,030	47,301	64,933	64,933
	<u>\$ 6,898,285</u>	<u>\$ 4,035,483</u>	<u>\$ 4,477,942</u>	<u>\$ 6,455,826</u>	<u>\$ 662,151</u>

Internal Service Funds serve primarily the governmental funds, the long-term liabilities of which are included as part of the governmental activities. For the year ended September 30, 2009, \$805 of accrued compensated absences is included in the above amount. For the governmental activities, the General Fund and the Park and Recreation Fund generally liquidate accrued compensated absences.

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

Governmental Activities:

General Obligation Bonds:	Amount Outstanding
(A) On April 21, 2009, the City issued \$4,220,000 of its General Obligation Refunding and Improvement Bonds, Series 2009 with interest rates ranging from 2.75% to 5.00%, to (1) current refund the City's outstanding General Obligation Park Improvement Refunding Bonds, Series 1999 in the principal amount of \$470,000, (2) advance refund the City's outstanding General Obligation Bonds, Series 2001 in the principal amount of \$1,855,000, and (3) pay the costs of the Project defined by the ordinance authorizing the Series 2009 Bonds. The principal amount of the Bonds was allocated as follows: \$465,000 was allocated to refund the Series 1999 Bonds, \$1,855,000 was allocated to refund the Series 2001 Bonds, and \$1,900,000 was allocated for the construction of the Project.	\$ 4,220,000

Tax Increment Revenue Bonds:

\$2,580,000 in Tax Increment Revenue Bonds issued October 1, 2005, due in varying annual installments through March 1, 2026, with interest at 4.25% to 5.625% due on March 1 and September 1 of each year. Bonds maturing on March 1, 2020, March 1, 2023 and March 1, 2026 are callable under various terms of the bond ordinance. The City has pledged a portion of future PILOTS and EATS revenues to repay the bonds issued for a retail development project. The PILOTS and EATS were projected to produce 169% of the debt service requirements over the life of the bonds. The principal and interest remaining on the bonds is \$4,010,001 payable through March 1, 2026. For the current year, principal and interest paid were \$181,313 and PILOTS and EATS taxes were \$149,852.

2,500,000

City of Maryville, Missouri

Notes to Basic Financial Statements

5. Long-Term Debt, continued

Certificates of Participation:

\$1,730,000 in Certificates of Participation issued July 17, 2008, due in varying annual installments through December 1, 2015, with interest at 4.2% to 4.5% due June 1 and December 1 of each year. 1,730,000

Capital leases:

In May 2009, the City entered into an agreement to finance the purchase of three patrol cars for the public safety police department. The total cost for was \$56,889 and the agreement calls for monthly payments of \$1,678 at 3.945% interest until May 2012. 50,896

Compensated absences 164,568

Total governmental activities \$ 8,665,464

Business-Type Activities:

Revenue Bonds:

(B) On June 17, 2009, the City issued \$3,170,000 of its Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2009 with interest rates ranging from 2.75% to 4.00% to current refund the City's outstanding Combined Waterworks and Sewerage System Revenue Bonds, Series 1999A in the principal amount of \$4,000,000. Proceeds of the Bonds, along with transfers totaling \$914,000 from the funds and accounts established for the Series 1999A Bonds, provided for the payment of the principal of and interest on the Series 1999A Bonds when called for redemption. \$ 3,170,000

The City has pledged future water/sewer customer revenues to repay the revenue bonds. Proceeds from the bonds provided financing for water treatment plant improvements. Annual principal and interest payments on the bonds are expected to require less than 35% of net revenues. The total principal and interest remaining to be paid on the bonds is \$3,749,565, payable through 2018. For the current year, principal and interest paid and total customer net revenues were \$233,918 and \$1,267,270 respectively.

Capital Leases:

In November 2008, the City entered into an agreement to finance 50 new golf carts, a beverage cart, and range picker for a total of \$114,453. The lease calls for monthly payments from May through October each year until October 2013 at 4.4% interest. 97,801

In February 2005, the City entered into an agreement to finance the purchase of a sewer jet truck and vacuum trailer for the sewer maintenance department. The total cost for both items was \$229,850 and the agreement calls for monthly payments of \$4,197 at 3.65% interest until February 2010. 20,647

City of Maryville, Missouri

Notes to Basic Financial Statements

5. Long-Term Debt, continued

In May 2005, the City entered into an agreement to finance the purchase of a backup generator for the Water Treatment Plant and a generator for the pump station at Mozingo Lake. The total cost for both pumps was \$361,901 and the lease calls for monthly payments of \$6,616 at 3.7% interest until May 2010. 52,199

In May 2008, the City entered into an agreement to finance the major reconstruction of its East Lift Station, which transfers 100% of the sanitary sewer leaving the City before final treatment at the lagoons. The total cost was \$469,188 and the lease calls for monthly payments of \$8,572 at 3.62% interest until May 2013. 352,401

In October 2007, the City entered into an agreement to finance the purchase of a Kawasaki 50ZV loader for use at the Transfer Station for a cost of \$78,445. The lease calls for monthly payments of \$1,085 at 4.35% interest until October 2014. 59,278

In June 2009, the City entered into an agreement to finance the construction of concrete golf cart paths to replace the existing deteriorated asphalt paths for a cost of \$700,000. The lease calls for monthly payments of \$8,692 at 4.485% until June 2017. 681,768

Note Payable:

In February 1999, the City entered into an agreement and contract for \$189,129 with Public Water Supply District #1 of Nodaway County, Missouri for the right to serve water to certain territories within the boundaries of the District. A monthly offset of \$1,667 at 6.0% interest is applied against the water statement from the City to the District through March 2014. 77,429

Compensated Absences 64,933

Total business-type activities \$ 4,576,456

- (A) Net proceeds from the issuance of the General Obligation Refunding and Improvements, Series 2009 Bonds of \$2,373,758 were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments on the Series 1999 and 2001 bonds which had a carrying value of \$2,325,000. As a result, the Series 1999 and 2001 Bonds are considered to be defeased and the liability for those bonds has been removed from the City's statement of net assets. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$48,758, which was recognized as amortization expense on the statement of activities as the entire balance of the Series 1999 and 2001 were paid off by the escrow agent prior to September 30, 2009. The City completed the advanced refunding to reduce its total debt service payments over the next 14 years by \$88,157 and to obtain an economic gain (difference between the present value of the old and new debt service payments) of \$118,550.
- (B) Net proceeds from the issuance of the Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2009 Bonds of \$3,195,000, along with \$914,000 of City funds from other sources were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments on the Series 1999 and 2001 bonds which had a carrying value of \$4,000,000. As a result, the Series 1999A Bonds are considered to be defeased and the liability for those bonds has been removed from the City's balance sheet. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$109,000, which was recognized as a component of interest expense on the statement of revenues, expenses and changes in net assets, as the entire balance of the Series 1999 were paid off by the escrow agent prior to September 30, 2009. The City completed the advanced

City of Maryville, Missouri

Notes to Basic Financial Statements

5. Long-Term Debt, continued

refunding to reduce its total debt service payments over the next 10 years by \$89,576 and to obtain an economic gain (difference between the present value of the old and new debt service payments) of \$272,108.

Annual debt service requirements for long-term liabilities at September 30, 2009 are as follows:

Governmental Activities:

Year Ending September 30,	Capital Lease		Certificates of Participation	
	Principal	Interest	Principal	Interest
2010	\$ 18,465	\$ 1,675	\$ 190,000	\$ 72,520
2011	19,207	933	230,000	63,070
2012	13,224	196	240,000	52,495
2013	-	-	250,000	41,470
2014	-	-	260,000	30,385
2015 - 2016	-	-	560,000	25,288
	<u>\$ 50,896</u>	<u>\$ 2,804</u>	<u>\$ 1,730,000</u>	<u>\$ 285,228</u>

Annual debt service requirements for long-term liabilities at September 30, 2009 are as follows:

Governmental Activities:

Year Ending September 30,	Tax Increment Revenue Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2010	\$ 60,000	\$ 133,943	\$ 75,000	\$ 173,011
2011	60,000	131,122	165,000	169,411
2012	70,000	127,968	185,000	164,393
2013	80,000	124,213	195,000	156,974
2014	90,000	119,877	220,000	148,799
2015 - 2019	590,000	515,619	1,210,000	610,709
2020 - 2024	900,000	315,072	1,245,000	319,340
2025 - 2029	650,000	42,187	925,000	111,685
	<u>\$ 2,500,000</u>	<u>\$ 1,510,001</u>	<u>\$ 4,220,000</u>	<u>\$ 1,854,322</u>

Business-Type Activities:

Year Ending September 30,	Note Payable		Revenue Bonds	
	Principal	Interest	Principal	Interest
2010	\$ 15,784	\$ 4,216	\$ 310,000	\$ 106,921
2011	16,757	3,243	310,000	94,394
2012	17,791	2,209	330,000	85,869
2013	18,888	1,112	350,000	76,794
2014	8,209	124	350,000	67,169
2015 - 2018	-	-	1,520,000	148,418
	<u>\$ 77,429</u>	<u>\$ 10,904</u>	<u>\$ 3,170,000</u>	<u>\$ 579,565</u>

City of Maryville, Missouri

Notes to Basic Financial Statements

5. Long-Term Debt, continued

Year Ending September 30,	Capital Leases	
	Principal	Interest
2010	\$ 271,434	\$ 53,113
2011	207,240	43,547
2012	216,204	34,582
2013	191,277	25,224
2014	107,465	14,963
2015 - 2017	<u>270,474</u>	<u>17,462</u>
	<u>\$ 1,264,094</u>	<u>\$ 188,891</u>

Debt Covenants

The covenants providing for the issuance of the Combined Waterworks and Sewerage Refunding Revenue Bonds issued in 2009 are as follows:

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

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

The 2009 Combined Waterworks and Sewerage Refunding Revenue Bonds have the following reserve requirements:

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

On September 30, 2009, the City has the following reserves:

Debt service account	\$ 105,231
Operation and maintenance account	<u>65,000</u>
Total	<u>\$ 170,231</u>

Arbitrage

Under U.S. Treasury Department regulations, all governmental tax-exempt debt issued after August 31, 1986, is subject to arbitrage rebate requirements. The requirements stipulate, in general, that the earnings from the investment of tax-exempt bond proceeds, which exceed related interest expenditures on the bonds, must be remitted to the Federal government on every fifth anniversary of each bond issue. The City used an independent consultant to evaluate the City's outstanding tax-exempt debt for arbitrage liability and determined that there is no arbitrage liability due as September 30, 2009.

6. Interfund Transfers and Balances

Interfund transfers for the year were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental activities:		
Major Governmental Funds:		
General	\$ 40,870	\$ 133,264

City of Maryville, Missouri

Notes to Basic Financial Statements

6. Interfund Transfers and Balances, continued

Park and Recreation	-	3,006
Capital Improvements	50,000	9,510
Nonmajor Governmental Funds:		
TIF	51,596	-
Debt Service	-	3,006
Total governmental activities	<u>\$ 142,466</u>	<u>\$ 148,786</u>
Business-type activities:		
Solid Waste	\$ 59,215	\$ -
Mozingo Recreation	-	12,025
Total business-type activities	<u>\$ 59,215</u>	<u>\$ 12,025</u>
Fiduciary Fund:		
Private Purpose Trust Fund	<u>\$ -</u>	<u>\$ 40,870</u>
Total interfund transfers	<u>\$ 201,681</u>	<u>\$ 201,681</u>

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

The General Fund was reimbursed for administrative expenses by the Enterprise Funds in the amount of \$213,026. This reimbursement is recorded as an operating expense by the Enterprise Funds and as revenue by the General Fund.

Interfund balances for the year were as follows:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
Governmental activities:		
General Fund	<u>\$ 51,841</u>	<u>\$ -</u>
Business-type activities:		
Water and Sewer Fund	\$ 249,625	\$ -
Solid Waste Fund	-	301,466
Total business-type activities	<u>\$ 249,625</u>	<u>\$ 301,466</u>
Total interfund transfers	<u>\$ 301,466</u>	<u>\$ 301,466</u>

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

7. Risk Management

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

City of Maryville, Missouri

Notes to Basic Financial Statements

7. Risk Management, continued

The Association is funded by its member cities. Member assessments are collected in advance and are calculated based on members' payroll data multiplied by a pool assessment factor. The assessment factor is based on the loss experience of the entire pool adjusted up or down for each City depending on the City's own loss experience. Cities with a consistent record of costly claims will pay more than cities with a consistent record of lesser claims activity. Coverage obtained by the City through the Association includes property, crime, general liability, auto liability, workers' compensation, public officials and police professional liability. Per-occurrence coverage limits provided by the Association (the Association's self-insured retention limits combined with excess insurance contract limits) are \$2,000,000 for liability claims, \$100,000 for crime claims, \$10,725,000 for workers' compensation claims and 100% replacement cost per location for property claims after a \$1,000 deductible. Losses from individual claims in excess of these limits remain the responsibility of the respective cities. Management of the City is not aware of any deficit situations in the Association that would require an accrual of a liability as of September 30, 2009.

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

The City is commercially insured for health insurance. Settled claims have not exceeded coverage in any of the last three fiscal years.

8. Post-Closure Care Cost

State and federal laws and regulations require the City to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The City closed the landfill effective April 1, 2002. The \$1,879,370 reported as landfill post-closure liability at September 30, 2009, represents the City's Financial Assurance Instrument in its Contract of Obligation with Missouri Department of Natural Resources, and is based on the cost to perform all post-closure care. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The City is required by state and federal laws and regulations to provide a financial assurance instrument in such amount and form as prescribed by the State of Missouri Department of Natural Resources (DNR). The City is in compliance with these requirements, and at September 30, 2009, the City was under a "Contract of Obligation" totaling \$1,879,370. The "Contract of Obligation" authorizes DNR to collect \$1,879,370 from any funds due the City from the Missouri Department of Revenue and the State Treasurer to compensate for State corrective procedures if the City does not properly close and monitor the landfill.

9. Deferred Compensation Plan

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

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

City of Maryville, Missouri

Notes to Basic Financial Statements

9. Deferred Compensation Plan, continued

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

10. Missouri LAGERS Defined Benefit Pension Plan

Plan Description

The City of Maryville participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri.

LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, section RSMo. 70.600-70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401a and it is tax exempt.

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

Funding Status

The City of Maryville's full-time employees do not contribute to the pension plan. The political subdivision is required to contribute at an actuarially determined rate; the current rate is 7.5% (general), and 1.3% (police), and 0.5% (fire) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

Annual Pension Cost

For 2009, the political subdivision's annual pension cost of \$164,451 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2007 and /or February 29, 2008 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2009 included (a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually, (b) projected salary increases of 4.0% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, and (d) pre-retirement mortality based on the RP-2000 Combined Healthy Table setback 0 years for men and 0 years for women and (e) post-retirement mortality based on the 1971 Group Annuity Mortality table projected to 2000 set back 1 year for men and 7 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at February 28, 2009 was 15 years.

As of February 28, 2009, the most recent actuarial valuation date, the plan was 96% funded. The actuarial accrued liability for benefits was \$5,601,662, and the actuarial value of assets was \$5,357,324, resulting in an unfunded actuarial accrued liability (UAAL) of \$244,338. The covered payroll (annual payroll of active employees covered by the plan) was \$2,931,731, and the ratio of the UAAL to the covered payroll was 8 percent.

City of Maryville, Missouri

Notes to Basic Financial Statements

10. Missouri LAGERS Defined Benefit Pension Plan, continued

The schedule of funding progress presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2007	\$ 184,248	100%	\$ -
6/30/2008	179,695	100%	-
6/30/2009	164,451	100%	-

11. Commitments and Contingent Liabilities

As of September 30, 2009, the City was obligated on construction contracts and commitments as follows:

<u>Project Description</u>	<u>Fund</u>	<u>Commitment</u>	<u>Type of Commitment</u>
Downtown revitalization	General	98,549	Engineering
Trail projects	General	129,945	Engineering
Trail projects	General	26,830	Construction
Retaining wall	General	1,200	Engineering
Trail project	Mozingo Recreation	3,457	Engineering
Main Street	Capital Improvements	116,214	Construction
Street improvements	Capital Improvements	44,179	Engineering
Water towers	Water/Sewer	157,245	Engineering

12. Fund Balance Deficit

At September 30, 2009 the Solid Waste (Enterprise) Fund had a deficit fund equity balance of \$1,350,308. This deficit is expected to be eliminated in the future through operating revenues from the disposal of solid waste at the Transfer Station.

13. Ground Lease

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

14. New Pronouncements

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

City of Maryville, Missouri

Notes to Basic Financial Statements

14. New Pronouncements, continued

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, issued June 2004, will be effective for the City beginning with its year ending September 30, 2010. This Statement established standards for the measurement, recognition and display of other postemployment benefits, expenses, and related liabilities or assets, note disclosures and if applicable, required supplementary information in the financial reports.

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, issued July 2008, will be effective for the City beginning with its year ending September 30, 2010. This Statement provides guidance regarding how to identify, account for, and report intangible assets. This new standard characterizes an intangible asset as an asset that lack physical substance, is non-financial in nature, and has an initial useful life extending beyond a single reporting period.

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, issued June 2008, will be effective for the City beginning with its year ending September 30, 2010. This Statement will improve how state and local governments report information about derivative instruments in their financial statements. The Statement specifically requires governments to measure most derivative instruments at fair value in their financial statements that are prepared using the economic resources measurement focus and the accrual basis of accounting. The guidance in this Statement also addresses hedge accounting requirements.

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, issued March 2009, will be effective for the City beginning with its year ending September 30, 2011. This Statement is intended to improve the usefulness of information provided to financial report users about fund balances by providing clearer, more structured fund balance classifications, and by clarifying the definitions of existing governmental fund types. Fund balance information is among the most widely and frequently used information in state and local government financial reports. The GASB developed this standard to address the diversity of practice and the resulting lack of consistency that had evolved in fund balance reporting. To reduce confusion, the new standard establishes a hierarchy of fund balance classification based primarily on the extent to which a government is bound to observe spending constraints.

GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, issued December 2009, addresses issues related to measurement of OPEB obligations by certain employers participating in agent multiple-employer OPEB plans. GASB Statement No. 57 amends GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The provisions of GASB Statement No. 57 related to the use and reporting of the alternative measurement method are effective immediately, whereas other provisions are effective for periods beginning after September 30, 2012.

GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*, issued December 2009 will be effective for the City beginning with its year ending September 30, 2010. This Statement provides guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. It establishes requirements for recognizing and measuring the effects of the bankruptcy process on assets and liabilities, and for classifying changes in those items and related costs.

Management has not yet determined the effect, if any, these Statements will have in the City's future financial statements.

The City implemented the following Statements during the year:

City of Maryville, Missouri

Notes to Basic Financial Statements

14. New Pronouncements, continued

GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*: This Statement establishes uniform financial reporting standards for other postemployment benefit plans (OPEB plans) and supersedes existing guidance. This Statement had no effect on the City.

GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*: This Statement addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities, such as site assessments and cleanups. This standard requires the government to estimate the components of expected pollution remediation outlays and determine whether the outlays for those components should be accrued as a liability or, if appropriate, capitalized when goods and services are acquired. This Statement had no effect on the City.

GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*: This Statement establishes consistent standards for the reporting of land and other real estate held as investments. Endowments were previously required to report their land and other real estate held for investment purposes at historical cost. However, such investments are reported at fair value by similar entities, such as pension plans. The Statement requires endowments to report land and other real estate investments at fair value. The changes in the fair value are to be reported as investment income. This Statement had no effect on the City.

15. Restatement

The City restated net assets as of September 30, 2008 to remove the Maryville Public Library (the Library) from the City's reporting entity. The Library was previously reported as a discretely presented component unit of the City, which represented all of the assets and revenue of the City's discretely presented component unit. The net asset balance of the Library as of September 30, 2008 was \$1,298,594. The City reevaluated their relationship with the Library and determined that the Library is not a component unit of the City because, although the City appoints all of the members of the Library board, an ongoing relationship does not exist through this appointment process. Specifically, the City does not have the ability to impose its will on the Library and it does not receive financial benefit or impose financial burden on the City. As a result, the Library will not be reported as a discretely presented component in the City's September 30, 2009 government-wide financial statements.

Required Supplementary Information

City of Maryville, Missouri

**Required Supplementary Information
Missouri Local Government Employee Retirement System**

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Entry Age Actuarial Accrued Liability (b)	Overfunded Accrued Liability (OAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	OAL/UAL as a Percentage of Covered Payroll [(b-a)/c]
2/28/07	\$ 5,823,585	\$ 4,844,904	\$ (978,681)	114%	\$ 2,826,848	0%
2/29/08	6,169,435	5,201,172	(968,263)	120	2,844,201	0
2/28/09	5,357,324	5,601,662	244,338	96	2,931,731	8

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2006 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

City of Maryville, Missouri

Required Supplementary Information Budgetary Comparison Schedule General Fund

For the Year Ended September 30, 2009

	Budget		Actual	Final to Actual Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 3,440,942	\$ 3,440,942	\$ 3,562,726	\$ 121,784
Licenses and permits	75,800	75,800	72,647	(3,153)
Intergovernmental revenues	2,287,517	2,287,517	1,312,175	(975,342)
Charges for services	9,400	9,400	11,749	2,349
Fines and forfeitures	426,500	426,500	448,312	21,812
Interest	40,000	40,000	13,566	(26,434)
Other	264,800	264,800	138,949	(125,851)
Total Revenues	<u>6,544,959</u>	<u>6,544,959</u>	<u>5,560,124</u>	<u>(984,835)</u>
EXPENDITURES				
Current:				
General government	1,311,209	1,311,209	1,198,202	113,007
Public safety	2,170,908	2,170,908	2,056,542	114,366
Public works	3,725,084	3,725,084	1,957,843	1,767,241
Debt service:				
Principal retirement	28,440	28,440	5,993	22,447
Interest and fiscal charges	17,621	17,621	3,620	14,001
Total expenditures	<u>7,253,262</u>	<u>7,253,262</u>	<u>5,222,200</u>	<u>2,031,062</u>
Excess of revenues over (under) expenditures	(708,303)	(708,303)	337,924	1,046,227
OTHER FINANCING SOURCES (USES)				
Transfers in	---	---	40,870	40,870
Transfers out	(167,940)	(167,940)	(133,264)	34,676
Issuance of long-term debt	358,500	358,500	56,889	(301,611)
Total other financing sources (uses)	<u>190,560</u>	<u>190,560</u>	<u>(35,505)</u>	<u>(226,065)</u>
Net change in fund balances	<u>\$ (517,743)</u>	<u>\$ (517,743)</u>	302,419	<u>\$ 820,162</u>
Fund balances - Beginning			<u>1,482,622</u>	
Fund balances - Ending			<u>\$ 1,785,041</u>	

City of Maryville, Missouri

Required Supplementary Information

Budgetary Comparison Schedule

Park and Recreation Fund

For the Year Ended September 30, 2009

	Budget		Actual	Final to Actual Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 606,570	\$ 606,570	\$ 627,871	\$ 21,301
Charges for services	468,093	468,093	467,269	(824)
Interest	9,000	9,000	2,201	(6,799)
Other	25,000	25,000	25,121	121
Total Revenues	<u>1,108,663</u>	<u>1,108,663</u>	<u>1,122,462</u>	<u>13,799</u>
EXPENDITURES				
Current:				
Park and recreation	<u>1,105,663</u>	<u>1,105,663</u>	<u>1,054,628</u>	<u>51,035</u>
Excess of revenues over (under) expenditures	3,000	3,000	67,834	64,834
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(3,000)</u>	<u>(3,000)</u>	<u>(3,006)</u>	<u>(6)</u>
Net change in fund balances	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 64,828</u>	<u>\$ 64,828</u>
Fund balances - Beginning			<u>388,324</u>	
Fund balances - Ending			<u>\$ 453,152</u>	

City of Maryville, Missouri

Required Supplementary Information Budgetary Comparison Schedule Community Center Construction Fund For the Year Ended September 30, 2009

	Budget		Actual	Final to Actual Positive (Negative)
	Original	Final		
REVENUES				
Interest	\$ ---	2,000	1,973	(27)
Total Revenues	---	2,000	1,973	(27)
EXPENDITURES				
Capital Outlay	---	1,267,357	1,351,313	(83,956)
Bond issuance cost	---	45,401	45,401	---
Total expenditures	---	1,312,758	1,396,714	(83,956)
Excess of revenues over (under) expenditures	---	(1,310,758)	(1,394,741)	(83,983)
OTHER FINANCING SOURCES (USES)				
Debt service bond premium	---	31,892	31,892	---
Issuance of long-term debt	---	1,900,000	1,900,000	---
Total other financing sources (uses)	---	1,931,892	1,931,892	---
Net change in fund balances	\$ ---	\$ 621,134	537,151	(83,983)
Fund balances - Beginning			---	
Fund balances - Ending			\$ 537,151	

City of Maryville, Missouri

Required Supplementary Information

Budgetary Comparison Schedule

Capital Improvements Fund

For the Year Ended September 30, 2009

	Budget		Actual	Final to Actual Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 785,000	760,000	762,778	2,778
Interest	---	3,020	3,122	102
Total Revenues	<u>785,000</u>	<u>763,020</u>	<u>765,900</u>	<u>2,880</u>
EXPENDITURES				
Capital Outlay	659,673	1,383,698	1,223,305	160,393
Interest and fiscal charges	68,282	70,227	70,227	---
Total expenditures	<u>727,955</u>	<u>1,453,925</u>	<u>1,293,532</u>	<u>160,393</u>
Excess of revenues over (under) expenditures	57,045	(690,905)	(527,632)	163,273
OTHER FINANCING SOURCES (USES)				
Transfers in	50,000	50,000	50,000	---
Transfers out	(10,000)	(10,000)	(9,510)	490
Total other financing sources (uses)	<u>40,000</u>	<u>40,000</u>	<u>40,490</u>	<u>490</u>
Net change in fund balances	<u>\$ 97,045</u>	<u>\$ (650,905)</u>	(487,142)	163,763
Fund balances - Beginning			<u>1,216,628</u>	
Fund balances - Ending			<u>\$ 729,486</u>	

City of Maryville, Missouri

Note to Required Supplementary Information

Budgetary Data

A legally adopted annual budget is prepared for governmental fund types by the City Manager and presented to Council each year prior to the beginning of the fiscal year. This budget is officially adopted by the City Council each September through the passage of an ordinance, and all budget amendments are approved by the City Council. All budgets are presented on the modified accrual basis of accounting. Accordingly, the budget schedules present actual expenditures in accordance with accounting principles generally accepted in the United States of America. The City's legal level of budgetary control is at the fund level. Any expenditure that will cause a fund to exceed the total fund budget must be approved by the City Council through a budget amendment ordinance. There was one budget amendment made to the original adopted budget. The amendment was made to increase expenditures in the Capital Improvements Fund, Debt Retirement Fund and the Community Center Construction Fund by a total of \$4,477,187. A review of the budget is done annually as part of the budget preparation process and any revisions needed are presented to the City Council for supplemental appropriation. Unencumbered appropriations lapse at year-end.

During the year ended September 30, 2009, the following fund had expenditures in excess of the adopted budget:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>
Community Center Construction Fund	\$1,312,758	\$1,396,714

Supplementary Information

Combining and Individual Fund Financial
Statements and Schedules

City of Maryville, Missouri

Combining Balance Sheet

Non-Major Governmental Funds

September 30, 2009

	<u>Debt Service Debt Retirement Fund</u>	<u>Special Revenue TIF Fund</u>	<u>Total Non-Major Governmental Funds</u>
ASSETS			
Receivables, net:			
Taxes	\$ 171,645	\$ ---	\$ 171,645
Accounts	---	3,961	3,961
Restricted assets:			
Cash, cash equivalents and investments	374,350	335,176	709,526
Total Assets	<u>\$ 545,995</u>	<u>\$ 339,137</u>	<u>\$ 885,132</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued expenses	---	35	35
Deferred revenue	141,515	---	141,515
Total Liabilities	<u>141,515</u>	<u>35</u>	<u>141,550</u>
Fund Balances:			
Reserved for:			
Debt service	404,480	339,102	743,582
Total Fund Balances	<u>404,480</u>	<u>339,102</u>	<u>743,582</u>
Total Liabilities and Fund Balances	<u>\$ 545,995</u>	<u>\$ 339,137</u>	<u>\$ 885,132</u>

City of Maryville, Missouri
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Non-Major Governmental Funds

For the Year Ended September 30, 2009

	<u>Debt Service Debt Retirement Fund</u>	<u>Special Revenue TIF Fund</u>	<u>Total Non-Major Governmental Funds</u>
REVENUES			
Taxes	\$ 357,978	\$ 149,852	\$ 507,830
Interest	2,127	398	2,525
Total Revenues	<u>360,105</u>	<u>150,250</u>	<u>510,355</u>
EXPENDITURES			
Capital outlay	---	20,679	20,679
Debt service:			
Principal retirement	240,000	45,000	285,000
Interest and fiscal charges	130,772	136,313	267,085
Bond issuance costs	55,789	---	55,789
Total expenditures	<u>426,561</u>	<u>201,992</u>	<u>628,553</u>
Excess of revenues over (under) expenditures	(66,456)	(51,742)	(118,198)
OTHER FINANCING SOURCES (USES)			
Transfers in	---	51,596	51,596
Transfers out	(3,006)	---	(3,006)
Bond Premium	109,547	---	109,547
Issuance of refunding bonds	2,320,000	---	2,320,000
Payment to refunded bond escrow agent	(2,373,758)	---	(2,373,758)
Total other financing sources (uses)	<u>52,783</u>	<u>51,596</u>	<u>104,379</u>
Net change in fund balances	(13,673)	(146)	(13,819)
Fund balances - Beginning	<u>418,153</u>	<u>339,248</u>	<u>757,401</u>
Fund balances - Ending	<u>\$ 404,480</u>	<u>\$ 339,102</u>	<u>\$ 743,582</u>

City of Maryville, Missouri

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual Debt Service - Debt Retirement Fund For the Year Ended September 30, 2009

	Budget		Actual	Final to Actual Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 357,422	\$ 359,501	\$ 357,978	\$ (1,523)
Interest	8,340	2,162	2,127	(35)
Total Revenues	<u>365,762</u>	<u>361,663</u>	<u>360,105</u>	<u>(1,558)</u>
EXPENDITURES				
Debt service:				
Principal retirement	240,000	240,000	240,000	---
Interest and fiscal charges	123,521	131,843	130,772	1,071
Bond issuance costs	---	55,789	55,789	---
Total expenditures	<u>363,521</u>	<u>427,632</u>	<u>426,561</u>	<u>1,071</u>
Excess of revenues over (under) expenditures	2,241	(65,969)	(66,456)	(487)
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,400)	(2,990)	(3,006)	(16)
Bond Premium	---	109,547	109,547	---
Issuance of refunding bonds	---	2,320,000	2,320,000	---
Payment to refunded bond escrow agent	---	(2,373,758)	(2,373,758)	---
Total other financing sources (uses)	<u>(2,400)</u>	<u>52,799</u>	<u>52,783</u>	<u>(16)</u>
Net change in fund balances	<u>\$ (159)</u>	<u>\$ (13,170)</u>	<u>\$ (13,673)</u>	<u>\$ (503)</u>
Fund balances - Beginning			<u>418,153</u>	
Fund balances - Ending			<u>\$ 404,480</u>	

City of Maryville, Missouri

**Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
TIF Project Special Revenue Fund
For the Year Ended September 30, 2009**

	Budget		Actual	Final to Actual Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 144,185	\$ 144,185	\$ 149,852	\$ 5,667
Interest	5,000	5,000	398	(4,602)
Total Revenues	<u>149,185</u>	<u>149,185</u>	<u>150,250</u>	<u>1,065</u>
EXPENDITURES				
Capital Outlay:				
TIF reimbursable project costs	22,205	22,205	20,679	1,526
Debt Service:				
Principal retirement	45,000	45,000	45,000	---
Interest and fiscal charges	136,313	136,313	136,313	---
Total expenditures	<u>203,518</u>	<u>203,518</u>	<u>201,992</u>	<u>1,526</u>
Excess of revenues over (under) expenditures	(54,333)	(54,333)	(51,742)	2,591
OTHER FINANCING SOURCES (USES)				
Transfers in	45,125	45,125	51,596	6,471
Total other financing sources (uses)	<u>45,125</u>	<u>45,125</u>	<u>51,596</u>	<u>6,471</u>
Net change in fund balances	<u>\$ (9,208)</u>	<u>\$ (9,208)</u>	(146)	<u>\$ 9,062</u>
Fund balances - Beginning			<u>339,248</u>	
Fund balances - Ending			<u>\$ 339,102</u>	

City of Maryville, Missouri

Combining Statement of Net Assets

Internal Service Funds

September 30, 2009

	Central Garage Fund	Group Insurance Fund	Totals
ASSETS			
Current:			
Cash, cash equivalents and investments	\$ 3,171	\$ 97,204	\$ 100,375
Inventory	4,928	---	4,928
Total Current Assets	<u>8,099</u>	<u>97,204</u>	<u>105,303</u>
Noncurrent:			
Capital assets, net of accumulated depreciation	5,814	---	5,814
Total Noncurrent Assets	<u>5,814</u>	<u>---</u>	<u>5,814</u>
Total Assets	<u><u>\$ 13,913</u></u>	<u><u>\$ 97,204</u></u>	<u><u>\$ 111,117</u></u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Current:			
Accounts payable and accrued expenses	3,931	---	3,931
Compensated absences payable	805	---	805
Total Current Liabilities	<u>4,736</u>	<u>---</u>	<u>4,736</u>
Net assets:			
Invested in capital assets, net of related debt	5,814	---	5,814
Unrestricted	3,363	97,204	100,567
Total net assets	<u>9,177</u>	<u>97,204</u>	<u>106,381</u>
Total Liabilities and Net Assets	<u><u>\$ 13,913</u></u>	<u><u>\$ 97,204</u></u>	<u><u>\$ 111,117</u></u>

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

Internal Service Funds

For the Year Ended September 30, 2009

	Central Garage Fund	Group Insurance Fund	Totals
Operating Revenues:			
Charges for services	\$ 100,994	\$ 780,645	\$ 881,639
Total Operating Revenues	<u>100,994</u>	<u>780,645</u>	<u>881,639</u>
Operating Expenses:			
Personnel	56,960	---	56,960
Contractual services	12,963	779,483	792,446
Commodities	31,463	---	31,463
Depreciation	1,888	---	1,888
Total operating expenses	<u>103,274</u>	<u>779,483</u>	<u>882,757</u>
Operating income (loss)	(2,280)	1,162	(1,118)
Total Net Assets - Beginning	<u>11,457</u>	<u>96,042</u>	<u>107,499</u>
Total Net Assets - Ending	<u><u>\$ 9,177</u></u>	<u><u>\$ 97,204</u></u>	<u><u>\$ 106,381</u></u>

City of Maryville, Missouri

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended September 30, 2009

	Central Garage Fund	Group Insurance Fund	Totals
Cash Flows from Operating Activities:			
Cash Received from Customers	\$ 100,994	\$ 782,137	\$ 883,131
Cash Paid to Suppliers	(56,747)	(780,975)	(837,722)
Cash Paid to Employees	(46,657)	---	(46,657)
Net Cash Provided by (used in) Operating Activities	<u>(2,410)</u>	<u>1,162</u>	<u>(1,248)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(2,410)	1,162	(1,248)
Cash and Cash Equivalents, beginning of year	<u>5,581</u>	<u>96,042</u>	<u>101,623</u>
Cash and Cash Equivalents, end of year	<u>\$ 3,171</u>	<u>\$ 97,204</u>	<u>\$ 100,375</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities:			
Operating income (loss)	\$ (2,280)	\$ 1,162	\$ (1,118)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	1,888	---	1,888
Change in assets and liabilities:			
Accounts receivable	895		895
Inventory	178	---	178
Accounts payable and accrued expenses	(3,126)	---	(3,126)
Compensated absences	35	---	35
Net Cash Provided by (used in) Operating Activities	<u>\$ (2,410)</u>	<u>\$ 1,162</u>	<u>\$ (1,248)</u>

City of Maryville, Missouri
Combining Statement of Assets and Liabilities

Agency Funds

September 30, 2009

	<u>Municipal Court Fund</u>	<u>Library Tax Fund</u>	<u>Total</u>
ASSETS			
Cash, cash equivalents and investments	\$ 24,641	\$ ---	\$ 24,641
Receivables, net:			
Taxes	---	190,000	190,000
Accounts	2,728	---	2,728
Total Assets	<u>\$ 27,369</u>	<u>\$ 190,000</u>	<u>\$ 217,369</u>
LIABILITIES			
Court bonds payable	\$ 27,639	\$ ---	\$ 27,639
Due to othe governments	---	190,000	190,000
Total Liabilities	<u>\$ 27,639</u>	<u>\$ 190,000</u>	<u>\$ 217,639</u>

City of Maryville, Missouri

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended September 30, 2009

	Balance September 30, 2008	Additions	Deletions	Balance September 30, 2009
Municipal Court Fund				
Assets:				
Cash and cash equivalents	\$ 28,338	140,105	143,802	\$ 24,641
Accounts receivable	2,728	---	---	2,728
Total Assets	\$ 31,066	\$ 140,105	\$ 143,802	\$ 27,369
Liabilities:				
Court bonds payable	\$ 31,066	\$ 17,579	\$ 21,276	\$ 27,369
Library Tax Fund				
Assets:				
Cash and cash equivalents	\$ ---	200,094	200,094	\$ ---
Taxes receivable	---	190,000	---	190,000
Total Assets	\$ ---	\$ 390,094	\$ 200,094	\$ 190,000
Liabilities:				
Due to other governments	\$ ---	\$ 190,000	\$ ---	\$ 190,000
Total				
Assets:				
Cash and cash equivalents	\$ 28,338	340,199	343,896	\$ 24,641
Receivables:				
Taxes	---	190,000	---	190,000
Accounts	2,728	---	---	2,728
Total Assets	\$ 31,066	\$ 530,199	\$ 343,896	\$ 217,369
Liabilities:				
Court bonds payable	\$ 31,066	\$ 17,579	\$ 21,276	\$ 27,369
Due to other governments	---	190,000	---	190,000
Total Liabilities	\$ 31,066	\$ 207,579	\$ 21,276	\$ 217,369

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**Statistical Section
(Unaudited)**

City of Maryville, Missouri

Statistical Section Contents

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

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.	63 – 70
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax and sales tax.	71 – 78
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	79 – 85
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	86 – 88
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	89 – 90

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual report for the relevant year. The City implemented GASB 34 in Fiscal Year 2004; schedules presenting government-wide information include information beginning in that year.

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City of Maryville, Missouri

Net Assets By Component Last Six Fiscal Years (*accrual basis of accounting*) (*Unaudited*)

	Fiscal Year					
	2004	2005	2006	2007	2008	2009
Governmental activities:						
Invested in capital assets, net of related debt	\$ 3,048,651	\$ 3,519,045	\$ 3,978,525	\$ 4,369,098	\$ 5,949,774	\$ 6,185,728
Restricted	340,204	385,450	938,474	953,509	1,201,217	1,392,988
Unrestricted	864,069	900,872	(1,637,416)	(1,207,956)	(881,601)	(259,836)
Total governmental activities net assets	\$ 4,252,924	\$ 4,805,367	\$ 3,279,583	\$ 4,114,651	\$ 6,269,390	\$ 7,318,880
Business-type activities:						
Invested in capital assets, net of related debt	\$ 15,072,348	\$ 14,410,026	\$ 13,698,042	\$ 13,670,414	\$ 12,683,513	\$ 12,904,914
Restricted	993,999	1,052,940	1,107,056	1,162,722	1,091,437	---
Unrestricted	1,976,966	2,007,753	1,295,601	1,055,910	2,967,868	4,176,289
Total business-type activities net assets	\$ 18,043,313	\$ 17,470,719	\$ 16,100,699	\$ 15,889,046	\$ 16,742,818	\$ 17,081,203
Primary government:						
Invested in capital assets, net of related debt	\$ 18,120,999	\$ 17,929,071	\$ 17,676,567	\$ 18,039,512	\$ 18,633,287	\$ 19,090,642
Restricted	1,334,203	1,438,390	2,045,530	2,116,231	2,292,654	1,392,988
Unrestricted	2,841,035	2,908,625	(341,815)	(152,046)	2,086,267	3,916,453
Total primary government net assets	\$ 22,296,237	\$ 22,276,086	\$ 19,380,282	\$ 20,003,697	\$ 23,012,208	\$ 24,400,083

GASB Statement No. 34 Implemented in Fiscal Year 2004

City of Maryville, Missouri

Changes in Net Assets Last Six Fiscal Years (accrual basis of accounting) (Unaudited)

	Fiscal Year					
	2004	2005	2006	2007	2008	2009
Expenses:						
Governmental activities:						
General government	\$ 916,652	\$ 834,858	\$ 896,311	\$ 430,629	\$ 1,547,491	\$ 844,858
Public safety	1,572,179	1,754,039	1,817,181	1,785,307	1,982,827	2,043,053
Public works	1,299,883	1,289,136	4,097,552	1,842,358	897,955	2,253,884
Park and recreation	1,213,513	1,268,945	1,370,480	1,336,385	1,317,098	1,368,933
Economic development	71,000	---	---	---	---	---
Interest on long-term debt	186,621	146,181	285,965	281,927	281,591	399,091
Total governmental activities expenses	5,259,848	5,293,159	8,467,489	5,676,606	6,026,962	6,909,819
Business-type activities:						
Charges for services	701,603	638,542	1,432,001	644,904	719,249	754,271
Water/sewer utility	3,216,355	3,317,895	3,306,602	3,944,645	3,284,078	3,548,055
Mozingo Golf	1,403,071	1,488,283	1,700,723	1,565,417	1,688,031	1,665,136
Total business-type activities expenses	5,321,029	5,444,720	6,439,326	6,154,966	5,691,358	5,967,462
Total primary government expenses	10,580,877	10,737,879	14,906,815	11,831,572	11,718,320	12,877,281
Program revenue:						
Governmental activities:						
Charges for services:						
General government	407,891	360,634	378,750	393,894	358,886	386,139
Public safety	332,253	323,747	428,524	467,129	421,022	452,724
Public works	83,220	378,846	380,241	379,215	364,685	358,689
Park and recreation	390,396	404,394	457,769	479,106	480,262	467,269
Operating grants and contributions	23,991	21,744	58,585	19,901	123,740	32,270
Capital grants and contributions	141,607	401,399	1,257,633	503,111	1,828,000	1,002,892
Total governmental activities program revenue	1,379,358	1,890,764	2,961,502	2,242,356	3,576,595	2,699,983
Business-type activities:						
Charges for services:						
Solid Waste	623,749	596,615	577,177	570,900	1,212,335	977,333
Water/sewer utility	2,474,560	2,521,234	2,680,582	3,363,600	3,205,186	3,167,192
Mozingo Recreation	665,428	801,118	850,088	937,881	877,950	940,089
Operating grants and contributions:						
Solid Waste	---	---	---	---	---	---
Water/sewer utility	---	---	---	---	---	---
Mozingo Recreation	---	---	---	---	---	25,249
Capital grants and contributions:						
Solid Waste	---	---	---	---	---	---
Water/sewer utility	84,086	---	---	18,000	240,684	92,904
Mozingo Recreation	600	17,400	---	---	---	182,552
Total business-type activities program revenues	3,848,423	3,936,367	4,107,847	4,890,381	5,536,155	5,385,319
Total primary government program revenues	5,227,781	5,827,131	7,069,349	7,132,737	9,112,750	8,085,302

City of Maryville, Missouri

Changes in Net Assets Last Six Fiscal Years (accrual basis of accounting) (Unaudited)

	Fiscal Year					
	2004	2005	2006	2007	2008	2009
Net (expense) revenue:						
Governmental activities	(3,880,490)	(3,402,395)	(5,505,987)	(3,434,250)	(2,450,367)	(4,209,836)
Business-type activities	(1,472,606)	(1,508,353)	(2,331,479)	(1,264,585)	(155,203)	(582,143)
Total primary government net expense	<u>(5,353,096)</u>	<u>(4,910,748)</u>	<u>(7,837,466)</u>	<u>(4,698,835)</u>	<u>(2,605,570)</u>	<u>(4,791,979)</u>
General revenues and other changes in net assets:						
Governmental activities:						
Taxes:						
Property taxes	899,004	906,297	905,727	905,771	971,527	1,023,334
Sales taxes	1,951,600	2,020,830	1,893,726	2,057,902	2,132,592	2,799,785
Franchise taxes	584,126	636,872	650,309	679,430	889,928	904,949
Other taxes	641,612	315,753	309,075	325,880	293,981	290,489
PILOT & EATS - TIF	---	---	22,878	44,159	146,223	149,852
Interest	19,452	33,964	108,329	111,956	76,987	23,387
Other	72,135	41,122	88,705	136,087	82,254	114,720
Transfers	---	---	1,454	8,133	11,614	(47,190)
Total governmental activities	<u>4,167,929</u>	<u>3,954,838</u>	<u>3,980,203</u>	<u>4,269,318</u>	<u>4,605,106</u>	<u>5,259,326</u>
Business-type activities:						
Sales taxes	785,954	813,804	763,251	828,882	859,241	821,465
Interest	56,947	121,955	199,662	232,183	147,648	51,873
Other	---	---	---	---	13,700	---
Transfers	---	---	(1,454)	(8,133)	(11,614)	47,190
Total business-type activities	<u>842,901</u>	<u>935,759</u>	<u>961,459</u>	<u>1,052,932</u>	<u>1,008,975</u>	<u>920,528</u>
Total primary government	<u>5,010,830</u>	<u>4,890,597</u>	<u>4,941,662</u>	<u>5,322,250</u>	<u>5,614,081</u>	<u>6,179,854</u>
Changes in net assets:						
Governmental activities	287,439	552,443	(1,525,784)	835,068	2,154,739	1,049,490
Business-type activities	(629,705)	(572,594)	(1,370,020)	(211,653)	853,772	338,385
Total primary government	<u>\$ (342,266)</u>	<u>\$ (20,151)</u>	<u>\$ (2,895,804)</u>	<u>\$ 623,415</u>	<u>\$ 3,008,511</u>	<u>\$ 1,387,875</u>

GASB Statement No. 34 Implemented in Fiscal Year 2004

City of Maryville, Missouri

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

	Fiscal Year				
	2000	2001	2002	2003	2004
General Fund:					
Reserved	\$ 124,685	\$ 124,400	\$ 41,848	\$ 6,481	\$ 5,311
Unreserved	1,004,509	1,094,425	900,025	929,436	802,246
Total General Fund	<u>\$ 1,129,194</u>	<u>\$ 1,218,825</u>	<u>\$ 941,873</u>	<u>\$ 935,917</u>	<u>\$ 807,557</u>
All other governmental funds:					
Reserved	\$ 1,573,420	\$ 2,623,895	\$ 832,704	\$ 300,377	\$ 334,893
Unreserved reported in:					
Special revenue funds	742,283	1,068,533	1,266,092	156,658	108,639
Capital project funds	54,980	116,099	98	---	---
Debt service fund	---	---	---	---	---
Total all other governmental funds	<u>\$ 2,370,683</u>	<u>\$ 3,808,527</u>	<u>\$ 2,098,894</u>	<u>\$ 457,035</u>	<u>\$ 443,532</u>

Note: Beginning in Fiscal Year 2003 the Mozingo Park Fund, previously recorded as a special revenue fund, is reported as an enterprise fund.

Fiscal Year				
2005	2006	2007	2008	2009
\$ 6,343	\$ 6,099	\$ 6,394	\$ 5,619	\$ 3,919
805,614	1,000,232	1,399,965	1,477,003	1,781,122
<u>\$ 811,957</u>	<u>\$ 1,006,331</u>	<u>\$ 1,406,359</u>	<u>\$ 1,482,622</u>	<u>\$ 1,785,041</u>
\$ 379,107	\$ 801,036	\$ 736,423	\$ 1,986,835	\$ 2,023,029
130,866	119,272	198,144	375,518	440,342
---	---	---	---	---
---	---	---	---	---
<u>\$ 509,973</u>	<u>\$ 920,308</u>	<u>\$ 934,567</u>	<u>\$ 2,362,353</u>	<u>\$ 2,463,371</u>

City of Maryville, Missouri

Changes In Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	Fiscal Year				
	2000	2001	2002	2003	2004
Revenues:					
Taxes	\$ 4,060,984	\$ 4,365,215	\$ 4,580,538	\$ 4,023,129	\$ 4,076,342
Licenses and permits	54,591	50,950	51,469	50,838	68,608
Intergovernmental revenues	514,771	412,987	297,602	377,414	495,511
Charges for services	234,585	258,694	302,177	278,433	416,607
Fines and forfeitures	314,899	350,550	349,793	337,868	329,451
Interest	221,450	154,826	95,477	26,440	19,452
Other	421,507	96,104	108,987	77,900	98,189
Total Revenues	5,822,787	5,689,326	5,786,043	5,172,022	5,504,160
Expenditures:					
General government	690,793	729,405	798,083	805,979	866,455
Public safety	1,388,255	1,450,261	1,555,558	1,561,109	1,527,487
Public works	1,063,882	1,008,194	1,195,077	1,389,132	1,337,271
Park and recreation	1,605,203	1,185,171	1,279,053	796,152	943,459
Economic development	11,000	11,000	11,000	11,000	71,000
Capital outlay	611,720	464,618	2,508,842	1,093,115	644,013
Debt service:					
Principal retirement	75,000	85,000	150,000	232,269	289,926
Bond issuance costs	---	23,956	---	---	---
Interest and fiscal charges	189,991	80,902	168,149	173,147	170,021
Total expenditures	5,635,844	5,038,507	7,665,762	6,061,903	5,849,632
Excess of revenues (under) expenditures	186,943	650,819	(1,879,719)	(889,881)	(345,472)
Other financing sources (uses):					
Transfers in	574,133	514,570	540,063	551,946	647,404
Transfers out	(500,555)	(605,179)	(674,341)	(536,946)	(647,404)
Bond discount	---	---	---	---	---
Bond premium	---	---	---	---	---
Payment to refunded bond escrow agent	---	(1,418,341)	---	---	---
Issuance of long-term debt	53,840	2,385,606	27,412	230,196	203,609
Total other financing sources (uses)	127,418	876,656	(106,866)	245,196	203,609
Net changes in fund balance	314,361	1,527,475	(1,986,585)	(644,685)	(141,863)
Fund balances - Beginning	3,185,516	3,499,877	5,027,352	3,040,767	1,392,952
Residual equity transfer out	---	---	---	(1,003,130)	---
Fund balances - Ending	\$ 3,499,877	\$ 5,027,352	\$ 3,040,767	\$ 1,392,952	\$ 1,251,089
Debt service as a percentage of noncapital expenditures	*	*	*	*	9.50%

* Information unavailable prior to implementation of GASB Statement No. 34 in Fiscal Year 2004

Fiscal Year				
2005	2006	2007	2008	2009
\$ 4,186,637	\$ 4,081,154	\$ 4,326,783	\$ 4,732,082	\$ 5,461,205
60,334	76,213	61,749	73,573	72,647
748,958	1,663,823	894,818	2,095,926	1,312,175
424,186	469,413	493,271	491,354	479,018
322,290	428,524	463,305	417,626	448,312
33,964	108,329	111,956	76,987	23,387
69,233	112,795	151,660	98,859	164,070
<u>5,845,602</u>	<u>6,940,251</u>	<u>6,503,542</u>	<u>7,986,407</u>	<u>7,960,814</u>
831,887	966,842	990,900	861,449	1,198,202
1,847,270	1,789,493	1,737,083	2,011,583	2,056,542
1,133,297	2,406,142	1,686,581	2,976,300	1,957,843
918,751	1,026,116	1,075,373	994,128	1,054,628
---	---	---	---	---
623,696	2,014,998	20,765	795,391	2,595,297
315,429	330,036	304,102	285,060	290,993
---	30,743	---	36,181	101,190
163,633	281,454	282,584	273,357	340,932
<u>5,833,963</u>	<u>8,845,824</u>	<u>6,097,388</u>	<u>8,233,449</u>	<u>9,595,627</u>
11,639	(1,905,573)	406,154	(247,042)	(1,634,813)
622,845	5,092	28,465	340,707	142,466
(622,845)	(3,638)	(20,332)	(329,093)	(148,786)
---	(71,172)	---	---	---
---	---	---	9,477	141,439
---	---	---	---	(2,373,758)
59,202	2,580,000	---	1,730,000	4,276,889
<u>59,202</u>	<u>2,510,282</u>	<u>8,133</u>	<u>1,751,091</u>	<u>2,038,250</u>
70,841	604,709	414,287	1,504,049	403,437
1,251,089	1,321,930	1,926,639	2,340,926	3,844,975
---	---	---	---	---
<u>\$ 1,321,930</u>	<u>\$ 1,926,639</u>	<u>\$ 2,340,926</u>	<u>\$ 3,844,975</u>	<u>\$ 4,248,412</u>

9.67% 7.91% 10.98% 10.34% 11.10%

City of Maryville, Missouri

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

	Fiscal Year					
	2004	2005	2006	2007	2008	2009
Governmental activities:						
General government	\$ 407,891	\$ 360,634	\$ 378,750	\$ 393,894	\$ 358,886	\$ 386,139
Public safety	362,390	458,374	487,109	477,481	431,381	465,412
Public works	218,681	667,362	1,637,874	891,875	2,301,796	1,381,163
Park and recreation	390,396	404,394	457,769	479,106	484,532	467,269
Total governmental activities	<u>1,379,358</u>	<u>1,890,764</u>	<u>2,961,502</u>	<u>2,242,356</u>	<u>3,576,595</u>	<u>2,699,983</u>
Business-type activities:						
Solid Waste	623,749	596,615	577,177	570,900	1,212,335	977,333
Water/sewer utility	2,558,646	2,521,234	2,680,582	3,381,600	3,445,870	3,260,096
Mozingo Golf	666,028	818,518	850,088	937,881	877,950	1,147,890
Total business-type activities	<u>3,848,423</u>	<u>3,936,367</u>	<u>4,107,847</u>	<u>4,890,381</u>	<u>5,536,155</u>	<u>5,385,319</u>
Total primary government	<u>\$ 5,227,781</u>	<u>\$ 5,827,131</u>	<u>\$ 7,069,349</u>	<u>\$ 7,132,737</u>	<u>\$ 9,112,750</u>	<u>\$ 8,085,302</u>

GASB Statement No. 34 Implemented in Fiscal Year 2004

City of Maryville, Missouri

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

Fiscal Year	Property Taxes	Sales Tax	Franchise Fees	Excise Taxes	Other Taxes	Total
2000	\$ 777,125	\$ 2,182,337	\$ 487,509	\$ 388,282	\$ 225,731	\$ 4,060,984
2001	801,681	2,355,035	578,895	371,434	258,170	4,365,215
2002	848,047	2,582,805	523,465	355,325	270,896	4,580,538
2003	887,800	1,820,655	590,380	400,807	323,487	4,023,129
2004	895,795	1,951,600	584,126	361,164	283,657	4,076,342
2005	906,125	2,020,831	636,872	354,034	268,775	4,186,637
2006	904,787	1,893,726	650,309	350,024	282,308	4,081,154
2007	905,381	2,057,903	679,430	378,409	305,660	4,326,783
2008	967,358	2,132,592	889,928	367,015	375,189	4,732,082
2009	1,017,010	2,799,785	904,949	352,413	387,048	5,461,205
Change 2000-2009	30.87%	28.29%	85.63%	-9.24%	71.46%	34.48%

Notes: Beginning in Fiscal Year 2003 the Mazingo Park Fund, previously recorded as a special revenue fund, is reported as an enterprise fund.

In the Statement of Activities the State Gasoline excise tax is reported as Public Works Charges for Services.

City of Maryville, Missouri

Principal Sales Tax Industries Current Year (Unaudited)

Industry	FY 2009		FY 2000	
	Rank	Percentage of Total City Sales Tax Revenues	Rank	Percentage of Total City Sales Tax Revenues
General Merchandise Store	1	35.31%		
Food Stores	2	12.35%		
Eating & Drinking Places	3	11.37%		
Electric, Gas & Sanitary Services	4	7.28%		
Building materials, Hardware, Garden Supply, etc	5	6.69%		
Motor Vehicle Account	6	5.35%		
Miscellaneous Retail	7	3.82%		
Communication	8	3.81%		
Automotive Dealers and Gasoline Services	9	2.17%		
Furniture & Home Furnishings Stores	10	1.44%		
Total Percentage of Sales Tax Revenue		<u>89.59%</u>		

Source: Missouri Department of Revenue

Note: Information not available for 2000.

City of Maryville, Missouri

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

Fiscal Year	City Direct Rate	Nodaway County Rate	Nodaway County Ambulance Rate	State Rate	Total Rate
2000	1.625%	1.000%	0.000%	4.225%	6.850%
2001	1.750%	1.000%	0.000%	4.225%	6.975%
2002	1.750%	1.000%	0.000%	4.225%	6.975%
2003	1.750%	1.000%	0.000%	4.225%	6.975%
2004	1.750%	1.000%	0.500%	4.225%	7.475%
2005	1.750%	1.000%	0.500%	4.225%	7.475%
2006	1.750%	1.000%	0.500%	4.225%	7.475%
2007	1.750%	1.000%	0.500%	4.225%	7.475%
2008	1.750%	1.000%	0.500%	4.225%	7.475%
2009	2.250%	1.000%	0.500%	4.225%	7.975%

Source: Missouri Department of Revenue

City of Maryville, Missouri

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

Fiscal Year	Residential Property	Commercial Property	Agriculture Property	Railroad & Utility	Personal Property	Total Taxable Assessed Value
2000	\$ 44,086,000	\$ 18,140,090	\$ 40,280	\$ 1,730,554	\$ 29,352,028	\$ 93,348,952
2001	44,695,920	18,059,680	38,000	1,767,009	30,093,030	94,653,639
2002	48,432,950	21,600,430	39,320	2,226,359	30,640,310	102,939,369
2003	49,586,130	21,935,890	40,550	2,474,590	31,792,188	105,829,348
2004	50,044,900	22,206,040	39,350	2,812,581	33,005,736	108,108,607
2005	51,126,570	22,337,600	43,080	2,629,144	32,591,590	108,727,984
2006	52,353,710	23,636,050	45,570	2,181,778	34,229,375	112,446,483
2007	53,317,240	24,071,040	44,210	2,205,394	32,958,670	112,596,554
2008	57,926,180	27,755,590	39,460	2,296,849	33,540,020	121,558,099
2009	59,013,550	27,766,030	38,280	2,229,078	37,202,730	126,249,668

Note: Property is reassessed once every two years.

Source: Nodaway County Clerk

Estimated Actual Value	Direct Tax Rate	Ratio of Total Assessed Value to Total Estimated Actual Value
\$ 383,969,264	0.7800	24.31%
389,132,094	0.7766	24.32%
421,518,357	0.7600	24.42%
432,901,197	0.7700	24.45%
440,825,625	0.7702	24.52%
445,151,475	0.7688	24.42%
459,205,259	0.7517	24.49%
461,092,870	0.7419	24.42%
499,633,284	0.7500	24.33%
516,151,818	0.7534	24.46%

City of Maryville, Missouri

Direct and Overlapping Property Tax Rates Last Ten Fiscal Years

Fiscal Year	City Direct Rates				Overlapping Rates						Total Direct & Overlapping Rates
	General Fund	Parks Fund	Debt Service Fund	Total City Tax Rate	School District Tax Rate	Library Tax Rate	Polk Township Tax Rate	Ambulance Tax Rate	County Tax Rate	Others	
2000	0.3100	0.3100	0.1600	0.7800	3.8200	0.1400	0.2900	0.1700	0.0000	0.1300	5.3300
2001	0.3133	0.3133	0.1500	0.7766	3.8176	0.1415	0.2800	0.1800	0.0000	0.1800	5.3757
2002	0.3125	0.3125	0.1350	0.7600	4.1603	0.1412	0.3105	0.1800	0.0000	0.1800	5.7320
2003	0.3125	0.3125	0.1450	0.7700	4.0893	0.1412	0.3105	0.1800	0.0000	0.1800	5.6710
2004	0.3126	0.3126	0.1450	0.7702	4.1338	0.1412	0.3105	0.0500	0.0000	0.1800	5.5857
2005	0.3148	0.3148	0.1392	0.7688	4.1288	0.1422	0.6695	0.0000	0.0000	0.1800	5.8893
2006	0.3148	0.3148	0.1221	0.7517	4.1124	0.1422	0.6697	0.0000	0.0000	0.1800	5.8560
2007	0.3192	0.3192	0.1035	0.7419	4.8124	0.1442	0.6720	0.0000	0.0000	0.1800	6.5505
2008	0.3153	0.3153	0.1194	0.7500	4.7815	0.1424	0.6647	0.0000	0.1600	0.1791	6.6777
2009	0.3170	0.3170	0.1194	0.7534	4.8950	0.1432	0.3220	0.0000	0.1600	0.1800	6.4536

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

Source: Nodaway County Clerk

City of Maryville, Missouri

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

Taxpayer	2009			2000		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Wal-Mart	2,607,450	1	2.07%			
Energizer Battery Mfg	2,515,160	2	1.99%			
Maryville Partners LLC	1,885,300	3	1.49%			
Moog Automotive Co.	971,140	4	0.77%			
Wal-Mart Realty Company	784,600	5	0.62%			
Nucor-LMP Inc.	714,650	6	0.57%			
Deluxe Mfg	642,950	7	0.51%			
Inland Realty	602,580	8	0.48%			
Krzymostaniok, Dorothy	564,140	9	0.45%			
Snyder & Snyder, LLC	460,050	10	0.36%			

Source: Nodaway County Assessor

Note: Assessed values not available for 2000.

City of Maryville, Missouri

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

Fiscal Year	Current Tax Levy	Collected Within the Fiscal Year of the Levy		Collected in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2000	\$ 728,122	\$ 706,430	97.02%	\$ 11,921	\$ 718,351	98.66%
2001	735,080	724,194	98.52%	13,395	737,589	100.34%
2002	782,339	762,445	97.46%	15,937	778,382	99.49%
2003	814,886	799,232	98.08%	15,222	814,454	99.95%
2004	832,652	812,190	97.54%	18,196	830,386	99.73%
2005	835,901	821,117	98.23%	16,084	837,201	100.16%
2006	845,260	826,931	97.83%	15,326	842,257	99.64%
2007	835,354	820,980	98.28%	13,513	834,493	99.90%
2008	911,686	876,702	96.16%	14,615	891,317	97.77%
2009	951,165	923,151	97.05%	---	923,151	97.05%

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

A tax levy provides taxes remitted for the following year.

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

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City of Maryville, Missouri

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

Fiscal Year	Governmental Activities				
	General Obligation Bonds	Capital Leases	TIF Bonds	Note Payable	Certificates of Participation
2000	\$ 2,900,000	\$ 305,070	\$ ---	\$ ---	\$ ---
2001	3,825,000	196,724	---	---	---
2002	3,675,000	118,815	---	---	---
2003	3,510,000	190,244	---	91,498	---
2004	3,340,000	308,324	---	57,101	---
2005	3,165,000	262,775	---	21,423	---
2006	2,975,000	144,162	2,580,000	---	---
2007	2,770,000	45,060	2,580,000	---	---
2008	2,565,000	---	2,545,000	---	1,730,000
2009	4,220,000	50,896	2,500,000	---	1,730,000

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

* Information unavailable

Business-type Activities						
Revenue Bonds	Capital Leases	Certificates of Participation	Note Payable	Total Primary Government	Percentage of Personal Income	Debt per Capita
\$ 7,260,000	\$ 88,674	\$ 565,654	\$ 4,660	\$ 11,124,058	5.53%	\$ 1,051
7,010,000	126,603	495,630	1,564	11,655,521	5.75%	1,102
6,755,000	171,262	421,956	---	11,142,033	5.57%	1,053
6,365,000	118,815	344,444	154,635	10,774,636	5.17%	1,018
5,960,000	344,500	262,938	143,613	10,416,476	4.57%	984
5,535,000	767,438	177,140	131,911	10,060,687	4.40%	951
5,090,000	522,753	86,872	119,488	11,518,275	4.98%	1,089
4,630,000	349,453	---	106,299	10,480,812	4.33%	991
4,150,000	715,415	---	92,296	11,797,711	*	1,115
3,170,000	1,264,094	---	77,429	13,012,419	*	1,230

City of Maryville, Missouri

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

Fiscal Year	General Obligation Bonds	Fund Balance Debt Service Fund	Net General Bonded Debt	Percentage of Actual Taxable Value of Property	Debt per Capita
2000	\$ 2,900,000	\$ 1,561,746	\$ 1,338,254	0.34%	\$ 274
2001	3,825,000	250,269	3,574,731	0.85%	361
2002	3,675,000	269,150	3,405,850	0.79%	347
2003	3,510,000	288,865	3,221,135	0.73%	332
2004	3,340,000	323,400	3,016,600	0.68%	316
2005	3,165,000	367,421	2,797,579	0.61%	299
2006	2,975,000	381,689	2,593,311	0.56%	281
2007	2,770,000	385,303	2,384,697	0.48%	262
2008	2,565,000	418,153	2,146,847	0.42%	242
2009	4,220,000	404,480	3,815,520	0.74%	399

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

City of Maryville, Missouri

Direct and Overlapping Governmental Activities Debt For the Year Ended September 30, 2009 (Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Amount Applicable to City
Debt repaid with property taxes:			
Maryville School District	\$ 13,475,000	67.20%	\$ 9,055,200
City direct debt			4,220,000
Total direct and overlapping debt			\$ 13,275,200

Source: Maryville School District

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

City of Maryville, Missouri

Legal Debt Margin Information Last Ten Fiscal Years (Unaudited)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Debt limit	\$ 17,331,536	\$ 15,355,997	\$ 17,182,024	\$ 17,944,735	\$ 18,605,121
Total net debt applicable to limit	<u>1,338,254</u>	<u>3,574,731</u>	<u>3,405,850</u>	<u>3,221,135</u>	<u>3,016,600</u>
Legal debt margin	<u>\$ 15,993,282</u>	<u>\$ 11,781,266</u>	<u>\$ 13,776,174</u>	<u>\$ 14,723,600</u>	<u>\$ 15,588,521</u>
Total net debt applicable to the limit as a percentage of debt limit	8.37%	30.34%	24.72%	21.88%	19.35%

Legal Debt Margin Calculation for Fiscal Year 2009

Assessed value	<u>\$ 126,249,668</u>
Debt limit (20% of assessed value)	<u>\$ 25,249,934</u>
City Debt applicable to debt limit:	
General obligation bonds	4,220,000
Less-amount available in debt service fund	<u>(404,480)</u>
Total net debt applicable to limit	<u>3,815,520</u>
Legal debt margin	<u>\$ 21,434,414</u>

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 18,948,018	\$ 19,895,986	\$ 20,134,614	\$ 22,164,773	\$ 21,434,414
<u>2,797,579</u>	<u>2,593,311</u>	<u>2,384,697</u>	<u>2,146,847</u>	<u>3,815,520</u>
<u>\$ 16,150,439</u>	<u>\$ 17,302,675</u>	<u>\$ 17,749,917</u>	<u>\$ 20,017,926</u>	<u>\$ 17,618,894</u>
17.32%	14.99%	13.43%	10.72%	21.66%

City of Maryville, Missouri

Pledged-Revenue Coverage Last Ten Fiscal Years (Unaudited)

Water and Sewer System Bonds							
Fiscal Year	Operating Revenue (1)	Operating Expenses (2)	Net Revenues	Debt Service		Total Debt Payments	Coverage
			Available for Debt Service	Principal	Interest		
2000	\$ 2,914,522	\$ 1,251,079	\$ 1,663,443	\$ 450,000	\$ 434,330	\$ 884,330	1.88%
2001	2,803,564	1,242,101	1,561,463	250,000	412,638	662,638	2.36%
2002	2,588,236	1,324,194	1,264,042	300,000	369,925	669,925	1.89%
2003	2,588,811	1,519,965	1,068,846	390,000	326,790	716,790	1.49%
2004	2,525,465	1,553,826	971,639	405,000	312,428	717,428	1.35%
2005	2,630,054	1,646,331	983,723	425,000	297,045	722,045	1.36%
2006	2,856,752	1,636,982	1,219,770	445,000	278,660	723,660	1.69%
2007	3,568,588	2,312,803	1,255,785	460,000	258,725	718,725	1.75%
2008	3,332,071	1,659,000	1,673,071	480,000	238,115	718,115	2.33%
(3) 2009	3,212,727	1,945,457	1,267,270	150,000	83,918	233,918	5.42%

(1) Operating revenue includes interest earnings

(2) Operating expenses excludes interest expense and depreciation expense

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

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

City of Maryville, Missouri

Demographic and Economic Statistics Last Ten Fiscal Years (Unaudited)

Fiscal Year	Population (1)	Personal Income	Per Capita Income (2)	Median Age (1)	School Enrollment (4)	Unemployment Rate (3)
2000	10,581	\$ 201,155,391	\$ 19,011	23	1,381	1.72%
2001	10,581	202,594,407	19,147	23	1,374	2.90%
2002	10,581	200,213,682	18,922	23	1,341	3.30%
2003	10,581	208,361,052	19,692	23	1,276	3.48%
2004	10,581	227,766,606	21,526	23	1,284	3.62%
2005	10,581	228,644,829	21,609	23	1,299	3.74%
2006	10,581	231,491,118	21,878	23	1,337	3.36%
2007	10,581	241,955,727	22,867	23	1,371	3.61%
2008	10,581	*	*	23	1,304	4.08%
2009	10,581	*	*	23	1,348	5.80%

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

* Information unavailable

City of Maryville, Missouri

Principal Employers Current Year and Nine Years Ago (Unaudited)

Employer	2009			2000		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Northwest Missouri State University	735	1	6.35%	603	2	4.69%
Kawasaki Motos Mfg. Corp	700	2	6.04%	440	3	3.42%
Energizer	500	3	4.32%	648	1	5.04%
St. Francis Hospital & Health Services	473	4	4.08%	370	4	2.88%
Hy-Vee Food Store	300	5	2.59%	150	10	1.17%
Wal-Mart Superstore	290	6	2.50%	180	9	1.40%
Maryville R-II School District	250	7	2.16%	230	5	1.79%
Maryville Treatment Center	240	8	2.07%	201	8	1.56%
DELUXE	200	9	1.73%	230	6	1.79%
Federal Mogul	200	10	1.73%	220	7	1.71%

Source: Nodaway County Economic Development

City of Maryville, Missouri

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

Function/Program	Full-Time Equivalent Employees as of September 30									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General Government										
Administration	5	4	5	5	4	4	4	4	4	4
Finance	6	5	5	4.5	4.5	4.5	5.5	5	5.5	6
Court	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Public Safety										
Administration	2	2	3	3	2.5	2.5	3.5	2	2	2
Public Safety Officers	19	20	21	22	22	22	23	23	22	21
Lake Patrol	1.5	1.5	1.5	2	1	1.5	0.5	0.5	0	0
Dispatch	6	6.5	6.5	6.5	6	5.5	6.5	7	7	7
Firefighters	2	2	2	3	3	4	4	3	3	3
Volunteer Firefighters	13	13	14	18	15	14	15	14	16	16
Public Works										
Administration	2	2.5	3	2.5	3	3	3	3	4	4
Code Enforcement	2	2	2	2	3	3	4	3	3	3
Street Maintenance/Central Garage	9	8	10	11	10.5	13.5	13	12	13	11
Airport	1.5	1.5	1.5	1.5	1.5	1.5	1.5	0	0	0
GIS	1	1	1	1	0.5	0	0	0	0	0
Parks & Recreation										
Administration	3	3	3	3	4	4	4	3	2	2
Recreation	18.5	67	66	73	66	64.5	54	48	49	50.5
Park Maintenance	5.5	12.5	10	9	8	8.5	9	9	10	9
Solid Waste	3	3	3	3	3.5	3	3	4.5	5.5	5
Water/Sewer	6	6	6	12	16	14.5	12.5	12	11	11
Mozingo Recreation										
Golf Clubhouse	8	9.5	11.5	11.5	10.5	11	9.5	12	13	12.5
Golf Maintenance	9	13.5	11	15.5	14	11.5	14	13	13.5	12.5
Park Maintenance	6.5	10	9.5	11.5	10	10	8.5	8	7	6
Total	131	195	197	222	210	207.5	199.5	187.5	192	187

Note: For this schedule, full time employees are treated as one FTE and part-time employees are treated as one-half of an FTE.
The volunteer firefighters are reported as one FTE.

Source: City records

City of Maryville, Missouri

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

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Public Safety:										
Arrests	746	982	739	885	874	1,156	1,152	1,054	1,095	888
Parking violations	*	*	*	*	*	560	605	768	719	648
Traffic violations	*	*	*	*	523	1,979	2,138	2,121	2,029	2,050
Vehicle accidents	*	*	*	*	98	323	298	321	330	321
Total calls answered	*	*	9,801	8,294	8,308	9,955	11,239	11,786	11,131	12,054
Fire:										
Total calls answered	*	*	72	91	65	170	195	309	171	322
Public Works:										
Commercial building permits	10	10	9	13	24	17	13	13	5	15
Residential building permits	67	98	99	107	97	76	95	96	74	56
Water:										
Number of service connections	3,504	3,762	3,800	3,824	3,812	3,843	3,857	3,864	3,931	3,892
Daily average consumption in gallons	1.8 mgd	1.8 mgd	1.7 mgd	1.7 mgd	1.7 mgd	1.6 mgd				
Water Pollution Control:										
Daily average flow in gallons	1.6 mgd									

Source: City records

* Information unavailable

City of Maryville, Missouri

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

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Public Safety Stations	1	1	1	1	1	1	1	1	1	1
Public Works:										
Area of city (square miles)	5.75	5.75	5.80	5.80	5.80	5.80	5.86	5.86	5.86	5.86
Miles of streets	60.50	60.50	61.00	61.00	61.50	61.50	62.11	62.11	62.11	62.11
Number of streets	111	111	112	112	113	113	114	114	114	114
Miles of sidewalks	37	37	40	40	40	43	43	43	43	43
Number of street lights	800	800	810	810	810	810	816	816	816	816
Miles of storm sewers	68	68	69	70	70	72	72	72	72	72
Parks & Recreation:										
Parks	9	10	10	10	10	10	10	10	10	10
Acreage	60	110	110	110	110	110	110	110	110	110
Tennis courts	4	4	4	4	4	4	4	4	4	4
Baseball/softball diamonds	4	8	8	8	8	8	8	8	8	8
Community center	0	0	0	1	1	1	1	1	1	1
Aquatic center	1	1	1	1	1	1	1	1	1	1
Water:										
Miles of water mains	72	72	74	74	74	74	76	76	76	76
Number of fire hydrants	490	492	492	495	495	496	497	498	498	498
Maximum daily capacity in gallons	2.3 mgd	2.3 mgd	2.3 mgd	5.0 mgd						
Water Pollution Control:										
Miles of sanitary sewer	72	72	74	74	74	74	76	76	76	76
Maximum daily capacity in gallons	1.7 mlg									

Source: City records

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