



CITY OF MARYVILLE, MISSOURI

Comprehensive Annual Financial Report

For the Year Ended September 30, 2012

CITY OF MARYVILLE, MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2012



Report issued by the Department of Finance

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Introductory Section



City of Maryville, Missouri

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February 14, 2013

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, 2012. This report was prepared by the Finance Department, and the responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

Hochschild, Bloom and Company, LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Maryville, Missouri's financial statements for the year ended September 30, 2012. The independent auditor's report is located at the front of the financial section of this report.

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

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

PROFILE OF THE GOVERNMENT

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

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

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

The City has approximately 80 full-time employees and provides a full range of services. These services include public safety protection, maintenance of streets and other infrastructure, water and sewerage sanitation, 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 one of the lowest unemployment rates in the State of Missouri. A significant reason for this is due to the industries within the community including: Kawasaki, Energizer, LaCiede 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

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

The most critical project Maryville will complete during the 2012-2013 fiscal year is the adoption of a new comprehensive plan. The Maryville Comprehensive Plan has two (2) fundamental purposes. First, it provides an essential legal basis for land use regulation such as zoning and subdivision controls. Secondly, a modern comprehensive plan presents a unified and compelling vision for a community, derived from the aspirations of its citizens; and establishes the specific action steps necessary to fulfill that vision. The process of developing the document began in early 2011 and has relied heavily on public participation for formation of the community vision. By establishing that vision and action steps, city officials can use the document to make policy decisions that effectively provided for a coordinated growth. The document will include policy statements, goals, objectives, guidelines, maps, GIS support, and graphics that will serve as a foundation for future decision making. The Maryville Comprehensive Plan will attempt to guide all development/redevelopment, infrastructure, and policy decisions over the next twenty (20) years.

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 2018 unless presented and renewed by a vote of the citizens. The funding has been used for a wide variety of project such as updating the emergency siren system, storm water improvements, heavy equipment for street maintenance and fire protection, street improvements, and matching dollars for trail project. The majority of the funding has been allocated toward street improvements and in 2012-2013 over \$3 million will be used for this purpose. These street improvements include the Munn Avenue Improvement Project, from South Avenue to Highway V, which was identified as a top capital improvement priority project due to poor condition and location near the Maryville High School. The Depot Street Improvement Project, from 1st Street to Halsey, was also considered a top priority project as it was identified as the worst section of roadway within the community. Both projects will be collectively financed through the issuance of Certificates of Participation (COPs) that will be repaid during the remaining years of the current tax. Other projects such as purchasing additional fire equipment and trail improvements are supplemented by grants acquired through the Missouri Department of Transportation (MoDOT) Transportation Enhancement (TE) Program. The City makes every attempt to leverage additional grant dollars on all projects associated with the CIP tax, but have often been successful with equipment and trails.

A major focus to encourage economic development has been major capital improvements to the Northwest Missouri Regional Airport. Previous improvements, including a runway extension and construction of a new terminal building in 2009 and 2007 respectively, have totaled over \$2.4 million dollars. This has strategically positioned the City to accommodate additional modes of transportation and serves as a critical resource for the City to be competitive in economic development initiatives. In 2012-2013 the City will be installing two (2) new fuel pumping systems. The systems will permit sales of both AvGas and expansion into Jet-A fuel which can

accommodate additional aircraft and boost associated revenues. A pavement rehabilitation and maintenance project of approximately \$500,000 will also be performed during this fiscal year. Both improvement projects are made possible through a 90%+ funding match provided by the FAA and Missouri Department of Transportation (MoDOT).

With the presence of Northwest Missouri State University (NWMSU), Maryville's housing stock contains a significant amount of rental properties. Approximately 65% of all the residential housing is used in a rental capacity, predominantly targeted at students seeking higher education. Rental properties often have a tendency to deteriorate quickly in university based communities, especially if property owners do not reinvest in structure maintenance. In these communities property maintenance code enforcement is crucial to the preservation and redevelopment of housing stock. In this fiscal year, the City will actively enforce codes to bring selected houses back to respectable standing while ensuring the demolition of homes which are dilapidated and substandard. Over the past year, the City has initiated the removal of ten (10) unsafe and dangerous structures within the community. The City has budgeted additional funds for this purpose in 2012-2013 to continue the improvement of the communities housing stock and potential infill development.

Well maintained water and sewer infrastructure are vital components to ensure continued health and quality of life for Maryville. Over the past year the City has completed the installation of new high service pumps at the Maryville Water Treatment Plant which included installation of a Variable Frequency Drive (VFD). The VFD regulates the speed and velocity of pumping water into the distribution system and should help reduce energy demands by 20-30%. In 2012-2013, the City will begin a Water Main Project, Phase I to replace a critical feed line from the treatment plant along Highway 136 to Depot Street. The project is estimated at \$1,000,000 and replaces a 16" main that has been the source of frequent breaks due to age and deterioration. The sanitary sewer collection system will also receive significant attention with another year of investments targeted at reducing inflow and infiltration of storm water, several main replacement projects, and construction of the new wastewater treatment plant.

In 2012-2013, the City of Maryville will begin construction on a new wastewater treatment facility to meet new ammonia discharge requirements by the Missouri Department of Natural Resources (DNR). The current wastewater system will not meet expected levels issued in February 2008. The total project will cost approximately \$13.75 million and will be financed by voter approved Revenue Bonds supported by increased sewer user fees. Construction on the project is anticipated to begin in the summer of 2013 to meet the required completion date of July 1, 2015. The project will be one of the largest capital improvements undertaken by the City of Maryville in many years.

The City of Maryville also 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. Surrounding the lake are various recreational activities including: RV camping, primitive camping, cabins, youth cabins, golf, hiking, water recreational activities, fishing and pavilions for family gatherings. Significant efforts are underway to rebrand Mozingo Lake and its amenities into one (1) easily identifiable destination. The rebranding and follow up marketing efforts will target both golf enthusiasts and recreationalists to increase revenues from tourism. Since development of the golf course at Mozingo Lake, three (3) city departments have functionally operated at the lake. This distinction has created a fragmented and disjointed identity which dilutes the City's message when advertising. A newly hired Assistant City Manager and Lake Park Manager have made reinventing Mozingo Lake a top priority for the current fiscal year. Also during the year, efforts will be taken to create a Mozingo Strategic Plan to ensure long-term growth, proper maintenance, and financial success of the operation.

The projects described above are only a fraction of the major initiatives pursued by the City of Maryville. These projects are designed to improve the quality of life for the citizens of Maryville and strategically position the City for continued success. With these projects moving forward, city staff will also ensure the delivery of core services and remain solvent as an organization.

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. The independent certified public accounting firm of Hochschild, Bloom and Company audited the financial statements contained in this report for the year ended September 30, 2012. The auditor's report on the basic financial statements is included in the financial section of this report.

RISK MANAGEMENT

The City is provided property, casualty and liability insurance coverage by Missouri Intergovernmental Risk Management Association (MIRMA). MIRMA is comprised of approximately 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, 2011. This was the fourth year that the City received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Greg McDanel
City Manager



Denise Town
Finance

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, 2011

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.



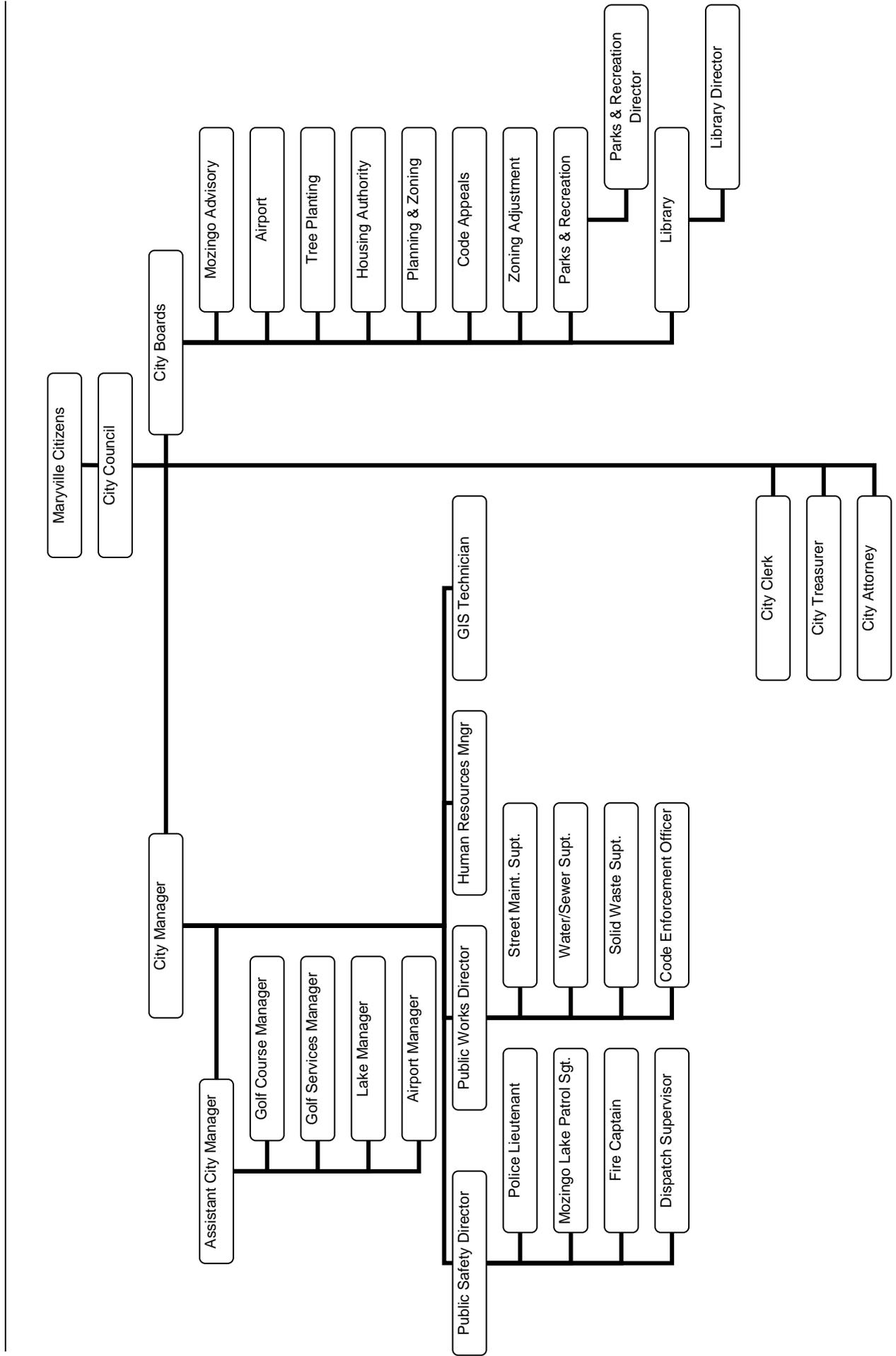
Christopher P. Moynell

President

Jeffrey R. Emer

Executive Director

City of Maryville, Missouri
Principal Officials
Year Ended September 30, 2012



City of Maryville, Missouri

**Principal Officials
Year Ended September 30, 2012**

Elected Officials

Title	Name
Mayor	Glenn Jonagan
Mayor Pro-Tem	James R. Fall
Council Member	Jeff Funston
Council Member	Ron Moss
Council Member	Renee Riedel

Administration

City Manager	Greg McDanel
Assistant City Manager	Ryan Heiland
City Clerk	Sheila Smail
Public Safety Director	R. Keith Wood
City Treasurer	Denise Town
City Attorney	Doug Thomson
Park & Recreation Director	Rod Auxier

Financial Section



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

INDEPENDENT AUDITORS' REPORT

February 14, 2013

Honorable Mayor and Members of the City Council
CITY OF 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 OF MARYVILLE, MISSOURI** (the City) as of and for the year ended September 30, 2012, 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's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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, 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 as of September 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with U.S. generally accepted accounting principles.

- 16100 Chesterfield Parkway W., Suite 125, Chesterfield, Missouri 63017-4829, 636-532-9525, Fax 636-532-9055
- 1000 Washington Square, P. O. Box 1457, Washington, Missouri 63090-8457, 636-239-4785, Fax 636-239-5448

In accordance with *Government Auditing Standards*, we have also issued a report dated February 14, 2013 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 important for assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the financial statements as a whole. The introductory section, other supplementary information as listed in the table contents, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The other supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.


CERTIFIED PUBLIC ACCOUNTANTS

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, 2012.

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, 2012.

FINANCIAL HIGHLIGHTS

The assets of the City exceeded its liabilities at the close of the September 30, 2012 fiscal year by \$28,768,241 (net assets). The assets of the City exceeded its liabilities at the close of the September 30, 2011 fiscal year by \$27,965,577 (net assets).

The government's total net assets increased by \$802,664 and by \$2,944,151 for fiscal years September 30, 2012 and 2011, respectively.

As of the close of this current fiscal year, the City's governmental funds reported combined ending fund balances of \$5,032,004, an increase of \$865,938 in comparison with the prior year. Approximately 37 percent of this total amount, \$1,865,578, is available for spending at the government's discretion (unassigned fund balance). As of the close of the September 30, 2011 fiscal year, the City of Maryville's governmental funds reported combined ending fund balances of \$4,166,066, an increase of \$157,344 in comparison with the prior year. Approximately 46 percent of the total amount, \$1,883,103, is available for spending at the government's discretion (unassigned fund balance).

At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,865,578, or 38.9 percent of total General Fund expenditures.

The City's total debt, excluding compensated absences, increased by \$545,387 (3.5 percent) during the current fiscal year.

City of Maryville, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2012

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

The **statement of net 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, and the Capital Improvements Fund which are considered to be major funds. Data from the remaining governmental funds, the TIF Fund, the Community Center Construction 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, 2012

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 \$28,768,241 at the close of the fiscal year ended September 30, 2012.

The largest portion of the City's net assets reflects its investment of \$20,412,471 (71.0 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, 2012**

Net Assets

	Governmental Activities 2012	Business-Type Activities 2012	Total 2012	Governmental Activities 2011	Business-Type Activities 2011	Total 2011
Assets						
Current and other assets	\$ 5,768,989	\$ 8,702,797	\$14,471,786	\$ 5,931,682	\$ 9,096,778	\$15,028,460
Capital assets	12,914,986	19,415,835	32,330,821	13,179,405	18,315,034	31,494,439
Total assets	<u>18,683,975</u>	<u>28,118,632</u>	<u>46,802,607</u>	<u>19,111,087</u>	<u>27,411,812</u>	<u>46,522,899</u>
Liabilities						
Noncurrent liabilities	6,770,428	8,292,645	15,063,073	7,269,236	7,497,262	14,766,498
Other liabilities	1,095,203	1,876,090	2,971,293	1,568,057	2,222,767	3,790,824
Total liabilities	<u>7,865,631</u>	<u>10,168,735</u>	<u>18,034,366</u>	<u>8,837,293</u>	<u>9,720,029</u>	<u>18,557,322</u>
Net Assets						
Invested in capital assets, net of related debt	7,984,866	12,427,605	20,412,471	7,819,761	12,574,685	20,394,446
Restricted	2,704,827	256,698	2,961,525	2,649,575	253,967	2,903,542
Unrestricted	128,651	5,265,594	5,394,245	(195,542)	4,863,131	4,667,589
Total net assets	<u>\$10,818,344</u>	<u>\$17,949,897</u>	<u>\$28,768,241</u>	<u>\$10,273,794</u>	<u>\$17,691,783</u>	<u>\$27,965,577</u>

An additional portion of the City's net assets (10.3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets is \$5,394,245.

City of Maryville, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2012

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.

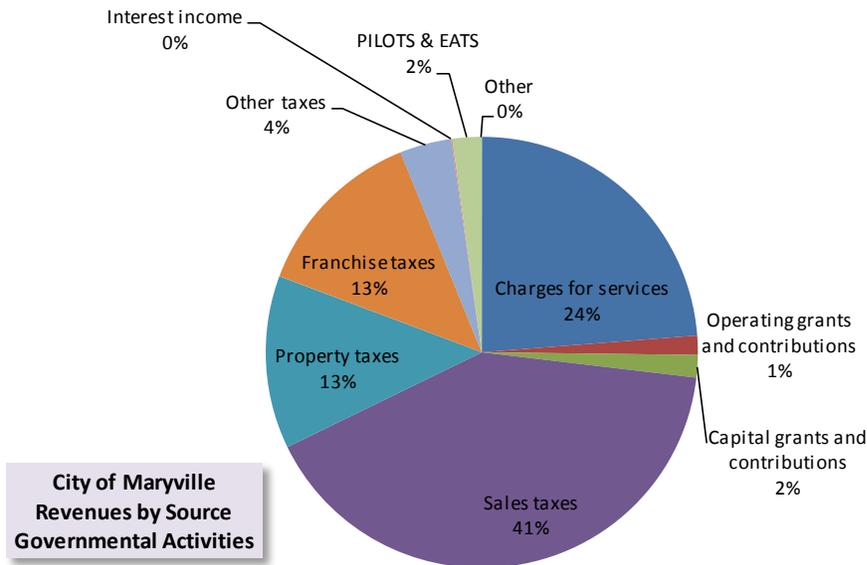
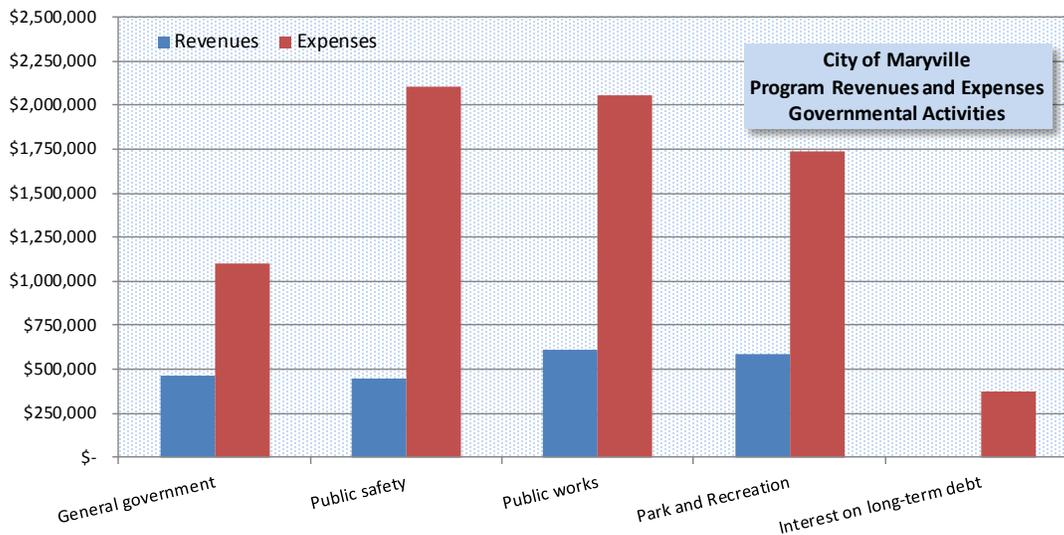
Changes in Net Assets

	Governmental Activities 2012	Business-Type Activities 2012	Total 2012	Governmental Activities 2011	Business-Type Activities 2011	Total 2011
Revenues:						
Program revenues:						
Charges for services	\$ 1,864,191	\$ 6,522,579	\$ 8,386,770	\$ 2,292,893	\$ 5,378,918	\$ 7,671,811
Operating grants and contributions	112,576	-	112,576	154,075	-	154,075
Capital grants and contributions	133,298	133,569	266,867	1,440,742	281,560	1,722,302
General revenues:						
Property taxes	1,018,854	-	1,018,854	1,013,246	-	1,013,246
Sales taxes	3,206,400	932,995	4,139,395	3,025,166	879,203	3,904,369
Franchise taxes	1,030,452	-	1,030,452	1,007,703	-	1,007,703
Other taxes	301,019	-	301,019	293,098	-	293,098
PILOTS & EATS-TIF	170,706	-	170,706	161,532	-	161,532
Interest income	8,245	17,377	25,622	14,281	29,235	43,516
Other	109,022	46,196	129,951	75,039	780,981	856,020
Total revenues	<u>7,954,763</u>	<u>7,652,716</u>	<u>15,607,479</u>	<u>9,477,775</u>	<u>7,349,897</u>	<u>16,827,672</u>
Expenses:						
General government	1,098,756	-	1,098,756	502,630	-	502,630
Public safety	2,102,893	-	2,102,893	2,173,896	-	2,173,896
Public works	2,054,923	-	2,054,923	2,438,217	-	2,438,217
Parks and recreation	1,736,145	-	1,736,145	1,655,649	-	1,655,649
Interest on long-term debt	373,431	-	373,431	402,338	-	402,338
Solid waste	-	1,137,210	1,137,210	-	948,629	948,629
Water and sewer	-	3,982,930	3,982,930	-	3,748,738	3,748,738
Mozingo recreation	-	2,089,024	2,089,024	-	2,013,424	2,013,424
Total expenses	<u>7,366,148</u>	<u>7,209,164</u>	<u>14,575,312</u>	<u>7,172,730</u>	<u>6,710,791</u>	<u>13,883,521</u>
Excess (deficiency) before transfers and special item	588,615	443,552	1,032,167	2,305,045	639,106	2,944,151
Transfers Special item	22,366 (66,431)	(22,366) (163,072)	- (229,503)	18,274 -	(18,274) -	- -
Increase (decrease) in net assets	544,550	258,114	802,664	2,323,319	620,832	2,944,151
Net assets, beginning	10,273,794	17,691,783	27,965,577	7,950,475	17,070,951	25,021,426
Net assets, ending	<u>\$10,818,344</u>	<u>\$17,949,897</u>	<u>\$28,768,241</u>	<u>\$10,273,794</u>	<u>\$17,691,783</u>	<u>\$27,965,577</u>

City of Maryville, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2012

Governmental activities. Governmental activities increased the City's net assets by \$544,550. The largest single revenue source for the City was sales tax, which increased by \$181,234 (6.0 percent) from 2011. Certain revenues are generated that are specific to governmental program activities. These totaled \$2,110,065 in 2012 and \$3,887,710 in 2011.

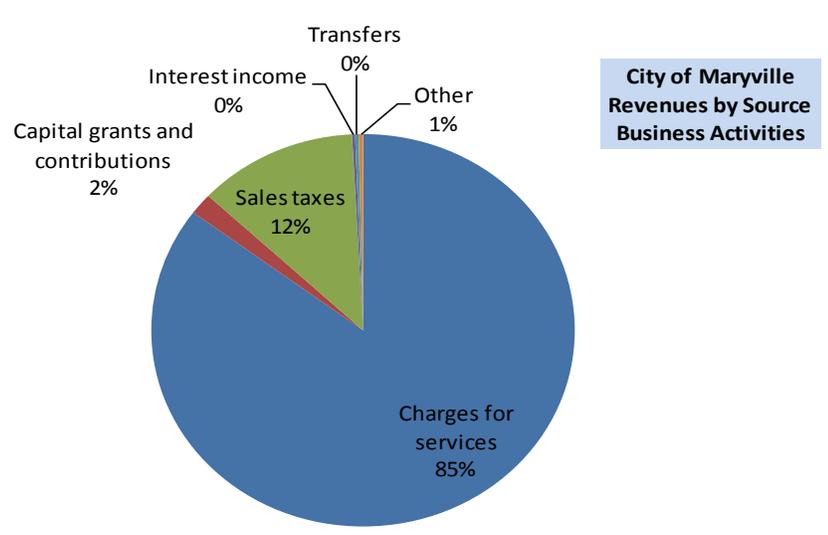
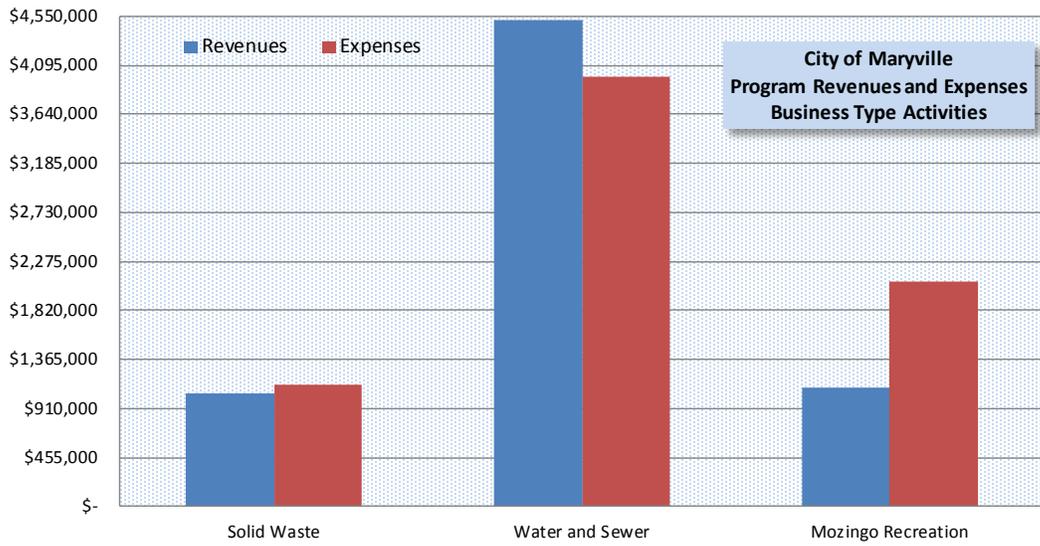


As shown in the Program Revenues and Expenses graph, public safety is the largest function in expense (28.6 percent), followed by public works (27.9 percent) and park and recreation (23.6 percent). General revenues such as sales and property taxes are not shown by program, but are effectively used to support program activities citywide.

City of Maryville, Missouri

**Management's Discussion and Analysis
For Fiscal Year Ended September 30, 2012**

Business-type activities. Business-type activities increased the City's net assets by \$258,114. This is mainly due to a 20% water and sewer rate increase that was effective with the August 2011 consumption.



City of Maryville, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2012

As shown in the preceding two graphs for business-type activities' revenues, the largest of the City's business-type activities, Water and Sewer, had expenses of \$3,982,930, followed by Mozingo Recreation with operating expenses of \$2,089,024, and finally Solid Waste with \$1,137,210 in operating expenses. For the fiscal year, expenses exceeded revenues in two of the three activities. Fees provided the largest share of revenues (85.2 percent) followed by sales taxes (12.2 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, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of Governmental funds reported by the City include the General Fund, Special Revenue Funds and Debt Service Fund.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$5,032,004, an increase of \$865,938 in comparison with the prior year. Approximately 37 percent of this total amount, (\$1,865,578), constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is either nonspendable, restricted or committed to indicate that it is 1) not in spendable form (\$6,666), 2) restricted for particular purposes (\$2,704,827), or 3) committed for particular purposes (\$419,063).

As of the end of the September 30, 2011 fiscal year, the City's governmental funds reported combined ending fund balances of \$4,166,066, an increase of \$157,344 in comparison with the prior year. Approximately 45 percent of this total amount, (\$1,883,103), constitutes unassigned fund

balance, which is available for spending at the government's discretion. The remainder of fund balance is restricted to indicate that it is not available for new spending because it has already been committed: 1) to pay debt service (\$917,735), 2) for other restricted purposes (\$856,256), for 3) Park and Recreation (\$430,341) and 4) for capital construction and services (\$78,631).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,865,578, while total fund balance was \$2,330,187. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 38.9 percent of total General Fund expenditures, while total fund balance represents 48.6 percent of that same amount. The fund balance of the City's General Fund increased by \$365,143 during the current fiscal year. This was mainly due to higher than anticipated revenue from sales tax and franchise taxes, and personnel savings from unfilled positions.

The Park and Recreation Fund has a total fund balance of \$649,290. The net increase in fund balance during the current year was \$206,097. This was mainly due to higher than anticipated sales tax revenue, unspent insurance proceeds from a hail storm and personnel savings.

The Capital Improvements Fund has a total fund balance of \$1,050,009. The net increase in fund balance during the current year was \$216,289. The increase was caused by higher than anticipated sales tax revenue and less spending on equipment and trail improvements due to project delays.

General Fund Budgetary Highlights

Actual revenue exceeded the budget in a few categories due to conservative estimates for sales and franchise taxes. On the expenditure side, some projects were delayed or changed, a budgeted position was not filled as soon as planned, and position vacancies during the year, resulting in favorable budget to actual expenditure variances.

City of Maryville, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2012

Proprietary Funds

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

Unrestricted net assets (deficits) of the Solid Waste Fund at the end of the year were \$(1,998,231); those for the Water and Sewer Fund were \$6,157,806; and those for the Mazingo Recreation Fund were \$1,106,019. 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 are 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 \$224,534 in the Oak Hill Cemetery Perpetual Fund.

City of Maryville, Missouri

**Management’s Discussion and Analysis
For Fiscal Year Ended September 30, 2012**

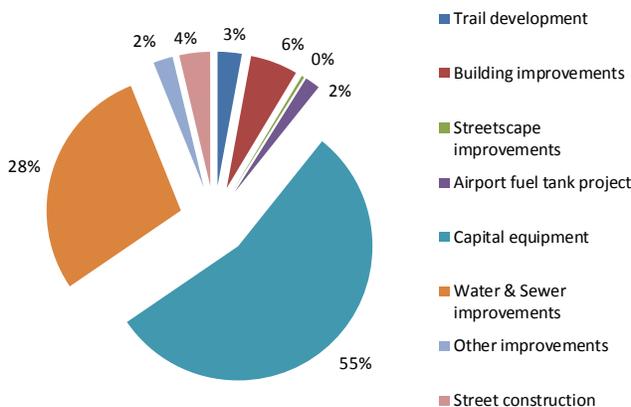
Capital Asset and Debt Administration

Capital Assets. The City’s investment in capital assets for its governmental and business-type activities as of September 30, 2012, amounts to \$32,330,821 (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 2012 and 2011 include:

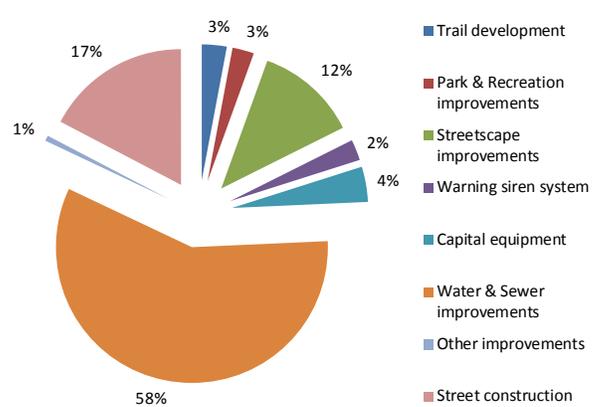
	<u>2012</u>	<u>2011</u>
Trail development	\$ 104,189	\$ 163,326
Building improvements	204,753	-
Airport fuel tank project	64,679	-
Street construction	133,355	959,070
Park and Recreation improvements	-	141,688
Water & Sewer improvements	1,021,094	3,198,383
Streetscape improvements	11,595	670,188
Warning siren system	-	137,341
Other improvements	84,786	35,657
Capital equipment	1,963,230	232,779
	<u>\$ 3,587,681</u>	<u>\$ 5,538,432</u>

The following graph shows the capital expenditures by percentage:

2012 Expenditures



2011 Expenditures



City of Maryville, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2012

Capital Assets, Net of Depreciation

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 456,757	\$ 456,757	\$ 1,907,872	\$ 1,907,872	\$ 2,364,629	\$ 2,364,629
Intangible asset	-	-	165,854	165,854	165,854	165,854
Buildings	5,338,453	5,227,768	8,517,421	8,423,353	13,855,874	13,651,121
Improvements other than buildings	13,873,692	13,846,086	35,858,062	32,722,341	49,731,754	46,568,427
Construction in progress	441,790	139,567	815,646	3,965,624	1,257,436	4,105,191
Machinery and equipment	2,877,744	2,668,222	5,807,100	3,100,437	8,684,844	5,768,659
Accumulated depreciation	(10,073,450)	(9,158,995)	(33,656,120)	(31,970,447)	(43,729,570)	(41,129,442)
Total	\$12,914,986	\$13,179,405	\$ 19,415,835	\$18,315,034	\$ 32,330,821	\$ 31,494,439

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

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$3,795,000, which is debt backed by the full faith and credit of the government.

Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
General obligation bonds	\$ 3,795,000	\$ 3,980,000	\$ -	\$ -	\$ 3,795,000	\$ 3,980,000
TIF revenue bonds	2,310,000	2,380,000	-	-	2,310,000	2,380,000
Revenue bonds	-	-	2,220,000	2,550,000	2,220,000	2,550,000
Certificates of participation	1,070,000	1,310,000	2,695,000	2,795,000	3,765,000	4,105,000
Note payable	-	-	27,097	44,888	27,097	44,888
Capital leases	-	6,031	2,239,314	785,265	2,239,314	791,296
Total	\$ 7,175,000	\$ 7,676,031	\$ 7,181,411	\$ 6,175,153	\$ 14,356,411	\$ 13,851,184

The City's total debt increased by \$505,227 (3.6 percent) during the current fiscal year. Additional information on the City's long-term debt can be found in Note 5 of this report.

Economic Factors and Next Year's Budgets and Rates

The fiscal year 2013 budget took a new direction by starting to implement strategies associated with priority-based budgeting. This concept is often used by municipalities to establish community goals and objectives, and then budget accordingly to focus spending on initiatives that can ultimately be measured and evaluated. To that end, the City held a strategic planning session which resulted in the formation of six (6) key areas and several targeted goals. Resources were budgeted to align those areas with departmental goals and specific line items. The City aims to complete a nearly two year comprehensive planning process with the adoption of the Comprehensive Plan, which will guide all aspects of development and redevelopment in Maryville and become a crucial piece of priority-based budgeting efforts.

In a time where many municipalities are reducing or maintaining service levels, the City's FY 13 budget includes \$7,442,363 toward the key performance area of providing well maintained streets and infrastructure. The majority of other spending in the budget remains consistent with previous levels, while refocusing on adopted performance areas.

The FY 13 budget benefits from strong sales tax receipts experienced in FY 12, largely due to additional materials and supplies purchased for storm damage repairs. While the majority of repairs are complete, staff remains optimistic that revenues will remain approximately 2% above FY 12 amounts. Slight reductions have been included for the expected adverse effect of a recent Missouri Supreme Court decision regarding certain

City of Maryville, Missouri

Management's Discussion and Analysis For Fiscal Year Ended September 30, 2012

motor vehicle sales. The City, in conjunction with Nodaway County Economic Development, will continue efforts and initiatives to grow the tax base through business development and retention.

Requests for Information

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

Basic Financial Statements

City of Maryville, Missouri

Statement of Net Assets

September 30, 2012

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash, cash equivalents and investments	\$ 4,614,906	\$ 7,235,516	\$ 11,850,422
Receivables, net:			
Taxes	644,948	128,718	773,666
Grants	153,173	214,825	367,998
Utilities	---	705,064	705,064
Accounts	19,276	---	19,276
Other	---	7,488	7,488
Internal balances	51,841	(51,841)	---
Prepaid expense	171,428	63,581	235,009
Inventory	4,267	144,884	149,151
Cash - restricted for refundable deposits	---	173,970	173,970
Total Current Assets	<u>5,659,839</u>	<u>8,622,205</u>	<u>14,282,044</u>
Noncurrent Assets:			
Bond issuance costs	109,150	80,592	189,742
Capital assets:			
Nondepreciable	898,547	2,889,372	3,787,919
Depreciable, net	<u>12,016,439</u>	<u>16,526,463</u>	<u>28,542,902</u>
Total Noncurrent Assets	<u>13,024,136</u>	<u>19,496,427</u>	<u>32,520,563</u>
Total Assets	<u>\$ 18,683,975</u>	<u>\$ 28,118,632</u>	<u>\$ 46,802,607</u>
LIABILITIES			
Current Liabilities:			
Accounts payable and accrued expenses	\$ 365,713	\$ 676,553	\$ 1,042,266
Refundable deposits - restricted cash	---	173,970	173,970
Accrued interest payable	39,707	42,506	82,213
Compensated absences payable	164,783	62,761	227,544
Long-term liabilities due within one year	<u>525,000</u>	<u>920,300</u>	<u>1,445,300</u>
Total Current Liabilities	<u>1,095,203</u>	<u>1,876,090</u>	<u>2,971,293</u>
Noncurrent Liabilities:			
Net pension obligation	55,308	30,443	85,751
Landfill post-closure liability	---	1,937,572	1,937,572
Bond discounts and premiums, net	65,120	63,519	128,639
Long-term liabilities due in more than one year	<u>6,650,000</u>	<u>6,261,111</u>	<u>12,911,111</u>
Total Noncurrent Liabilities	<u>6,770,428</u>	<u>8,292,645</u>	<u>15,063,073</u>
Total Liabilities	<u>7,865,631</u>	<u>10,168,735</u>	<u>18,034,366</u>
NET ASSETS			
Invested in capital assets, net of related debt	7,984,866	12,427,605	20,412,471
Restricted:			
Debt service	562,805	256,698	819,503
Tax increment financing project debt service	439,713	---	439,713
Park and recreation	649,290	---	649,290
Capital improvements	1,050,009	---	1,050,009
Other purposes	3,010	---	3,010
Unrestricted	<u>128,651</u>	<u>5,265,594</u>	<u>5,394,245</u>
Total Net Assets	<u>10,818,344</u>	<u>17,949,897</u>	<u>28,768,241</u>
Total Liabilities and Net Assets	<u>\$ 18,683,975</u>	<u>\$ 28,118,632</u>	<u>\$ 46,802,607</u>

City of Maryville, Missouri

Balance Sheet

Governmental Funds

September 30, 2012

	General Fund	Park and Recreation Fund	Capital Improvements Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash, cash equivalents and investments	\$ 1,978,753	\$ 647,309	\$ 927,235	\$ 962,338	\$ 4,515,635
Receivables, net:					
Taxes	453,054	36,646	122,114	33,134	644,948
Grants	97,718	---	55,455	---	153,173
Accounts	12,050	110	---	7,116	19,276
Due from other funds	51,841	---	---	---	51,841
Prepaid fuel	6,666	---	---	---	6,666
Total Assets	<u>\$ 2,600,082</u>	<u>\$ 684,065</u>	<u>\$ 1,104,804</u>	<u>\$ 1,002,588</u>	<u>\$ 5,391,539</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued expenses	\$ 269,895	\$ 34,775	\$ 54,795	\$ 70	\$ 359,535
Total Liabilities	<u>269,895</u>	<u>34,775</u>	<u>54,795</u>	<u>70</u>	<u>359,535</u>
Fund Balances:					
Nonspendable:					
Prepaid fuel	6,666	---	---	---	6,666
Restricted for:					
Debt service	---	---	---	562,805	562,805
Tax increment financing project debt service	---	---	---	439,713	439,713
Park and Recreation	---	635,433	---	---	635,433
Capital improvements	---	---	1,050,009	---	1,050,009
Other purposes	3,010	13,857	---	---	16,867
Committed to:					
Capital, construction and services	419,063	---	---	---	419,063
Assigned:					
Subsequent year's budget appropriation of fund balances	35,870	---	---	---	35,870
Unassigned	1,865,578	---	---	---	1,865,578
Total Fund Balances	<u>2,330,187</u>	<u>649,290</u>	<u>1,050,009</u>	<u>1,002,518</u>	<u>5,032,004</u>
Total Liabilities and Fund Balances	<u>\$ 2,600,082</u>	<u>\$ 684,065</u>	<u>\$ 1,104,804</u>	<u>\$ 1,002,588</u>	<u>\$ 5,391,539</u>

City of Maryville, Missouri

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

September 30, 2012

Fund Balances - Total Governmental Funds	\$ 5,032,004
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.	12,912,146
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	(6,105,000)
Certificates of participation	(1,070,000)
Compensated absences	(163,406)
Bond issuance costs	109,150
Bond discount	46,437
Bond premium	(111,557)
Net pension obligation	(53,575)
Accrued interest payable for the current portion of interest due on general obligation bonds has not been reported in the governmental funds.	(39,707)
Other long-term assets are not available to pay for current period expenditures	162,478
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>99,374</u>
Net assets of governmental activities	<u><u>\$ 10,818,344</u></u>

City of Maryville, Missouri

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended September 30, 2012

	General Fund	Park and Recreation Fund	Capital Improvements Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 3,948,797	\$ 621,783	\$ 893,322	\$ 565,850	\$ 6,029,752
Licenses and permits	96,015	---	---	---	96,015
Intergovernmental revenues	558,833	4,237	73,842	---	636,912
Charges for services	48,626	585,590	---	---	634,216
Fines and forfeitures	377,954	---	---	---	377,954
Interest	5,193	1,007	1,150	894	8,244
Other	220,512	342,718	---	---	563,230
Total Revenues	<u>5,255,930</u>	<u>1,555,335</u>	<u>968,314</u>	<u>566,744</u>	<u>8,346,323</u>
EXPENDITURES					
Current:					
General government	1,006,846	---	---	---	1,006,846
Public safety	2,121,685	---	---	---	2,121,685
Public works	1,658,433	---	---	---	1,658,433
Park and recreation	---	1,343,647	---	---	1,343,647
Capital outlay	---	---	484,552	27,775	512,327
Debt service:					
Principal retirement	6,031	---	240,000	255,000	501,031
Interest and fiscal charges	3,061	---	55,107	300,614	358,782
Total expenditures	<u>4,796,056</u>	<u>1,343,647</u>	<u>779,659</u>	<u>583,389</u>	<u>7,502,751</u>
Excess of revenues over (under) expenditures	<u>459,874</u>	<u>211,688</u>	<u>188,655</u>	<u>(16,645)</u>	<u>843,572</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	---	---	50,000	100,646	150,646
Transfers out	(94,731)	(5,591)	(22,366)	(5,592)	(128,280)
Total other financing sources (uses)	<u>(94,731)</u>	<u>(5,591)</u>	<u>27,634</u>	<u>95,054</u>	<u>22,366</u>
Net change in fund balances	365,143	206,097	216,289	78,409	865,938
Fund balances - Beginning	<u>1,965,044</u>	<u>443,193</u>	<u>833,720</u>	<u>924,109</u>	<u>4,166,066</u>
Fund balances - Ending	<u>\$ 2,330,187</u>	<u>\$ 649,290</u>	<u>\$ 1,050,009</u>	<u>\$ 1,002,518</u>	<u>\$ 5,032,004</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, 2012

Net change in fund balances - Total governmental funds	\$ 865,938
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	702,927
Depreciation expense	(966,716)
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:	
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	501,031
Amortization of bond issuance costs, discount and premium	(6,898)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Accrued interest on bonds	(7,751)
Accrued compensated absences liability	1,275
Net pension obligation	(30,074)
Prepaid expense	(51,726)
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.	(457,991)
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.	(5,465)
Change in net assets of governmental activities	<u>\$ 544,550</u>

City of Maryville, Missouri

Statement of Net Assets

Proprietary Funds

September 30, 2012

	Solid Waste Fund	Water and Sewer Fund	Mozingo Recreation Fund	Totals	Governmental Activities - Internal Service Funds
ASSETS					
Current:					
Cash, cash equivalents and investments	\$ 306,363	\$ 6,021,226	\$ 907,927	\$ 7,235,516	\$ 99,271
Receivables, net:					
Taxes	---	---	128,718	128,718	---
Utilities	37,257	667,807	---	705,064	---
Grants	---	115,825	99,000	214,825	---
Other	---	1,102	6,386	7,488	---
Due from other funds	---	249,625	---	249,625	---
Prepaid expense	5,723	21,702	36,156	63,581	2,284
Inventory	---	94,498	50,386	144,884	4,267
Cash - refundable deposits	---	171,088	2,882	173,970	---
Total Current Assets	<u>349,343</u>	<u>7,342,873</u>	<u>1,231,455</u>	<u>8,923,671</u>	<u>105,822</u>
Noncurrent:					
Bond issue costs	---	80,592	---	80,592	---
Capital assets:					
Nondepreciable	162,599	2,726,773	---	2,889,372	---
Depreciable, net	291,819	13,681,889	2,552,755	16,526,463	2,840
Total Noncurrent Assets	<u>454,418</u>	<u>16,489,254</u>	<u>2,552,755</u>	<u>19,496,427</u>	<u>2,840</u>
Total Assets	<u>\$ 803,761</u>	<u>\$ 23,832,127</u>	<u>\$ 3,784,210</u>	<u>\$ 28,420,098</u>	<u>\$ 108,662</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Current:					
Accounts payable and accrued expenses	\$ 95,591	\$ 518,564	\$ 62,398	\$ 676,553	\$ 6,178
Refundable deposits - restricted assets	---	171,088	2,882	173,970	---
Accrued interest payable	---	42,506	---	42,506	---
Compensated absences payable	9,588	10,465	42,708	62,761	1,377
Due to other funds	301,466	---	---	301,466	---
Current portion of long term debt	12,133	796,673	111,494	920,300	---
Total Current Liabilities	<u>418,778</u>	<u>1,539,296</u>	<u>219,482</u>	<u>2,177,556</u>	<u>7,555</u>
Noncurrent:					
Net pension obligation	3,357	9,638	17,448	30,443	1,733
Landfill post-closure liability	1,937,572	---	---	1,937,572	---
Bond premium	---	63,519	---	63,519	---
Revenue bonds	---	1,870,000	---	1,870,000	---
Certificates of participation	---	2,590,000	---	2,590,000	---
Note payable	---	8,209	---	8,209	---
Lease obligations payable	13,752	1,414,986	364,164	1,792,902	---
Total Noncurrent Liabilities	<u>1,954,681</u>	<u>5,956,352</u>	<u>381,612</u>	<u>8,292,645</u>	<u>1,733</u>
Total Liabilities	<u>2,373,459</u>	<u>7,495,648</u>	<u>601,094</u>	<u>10,470,201</u>	<u>9,288</u>
Net assets (deficits):					
Invested in capital assets, net of related debt	428,533	9,921,975	2,077,097	12,427,605	2,840
Restricted for debt service	---	256,698	---	256,698	---
Unrestricted	(1,998,231)	6,157,806	1,106,019	5,265,594	96,534
Total net assets (deficits)	<u>(1,569,698)</u>	<u>16,336,479</u>	<u>3,183,116</u>	<u>17,949,897</u>	<u>99,374</u>
Total Liabilities and Net Assets	<u>\$ 803,761</u>	<u>\$ 23,832,127</u>	<u>\$ 3,784,210</u>	<u>\$ 28,420,098</u>	<u>\$ 108,662</u>

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

Proprietary Funds

For the Year Ended September 30, 2012

	Solid Waste Fund	Water and Sewer Fund	Mozingo Recreation Fund	Totals	Governmental Activities - Internal Service Funds
Operating Revenues:					
Charges for services	\$ 1,045,834	\$ 4,440,068	\$ 997,976	\$ 6,483,878	\$ 1,025,133
Miscellaneous	220	28,810	9,671	38,701	120
Total Operating Revenues	<u>1,046,054</u>	<u>4,468,878</u>	<u>1,007,647</u>	<u>6,522,579</u>	<u>1,025,253</u>
Operating Expenses:					
Personnel	142,503	366,383	866,254	1,375,140	65,143
Contractual services	932,115	1,769,652	485,001	3,186,768	916,499
Commodities	23,369	159,226	383,321	565,916	47,263
Depreciation	37,822	1,420,528	325,604	1,783,954	630
Total operating expenses	<u>1,135,809</u>	<u>3,715,789</u>	<u>2,060,180</u>	<u>6,911,778</u>	<u>1,029,535</u>
Operating income (loss)	<u>(89,755)</u>	<u>753,089</u>	<u>(1,052,533)</u>	<u>(389,199)</u>	<u>(4,282)</u>
Nonoperating Revenues (Expenses):					
Taxes	---	---	932,995	932,995	---
Intergovernmental and contributions	---	42,218	91,351	133,569	---
Interest income	416	15,715	1,246	17,377	---
Insurance recovery	---	17,445	3,484	20,929	---
Gain on sale of capital assets	---	---	25,267	25,267	---
Interest expenses and fees	(1,401)	(267,141)	(28,844)	(297,386)	---
Total Nonoperating Revenues (Expenses)	<u>(985)</u>	<u>(191,763)</u>	<u>1,025,499</u>	<u>832,751</u>	<u>---</u>
Income (loss) before transfers and special item	(90,740)	561,326	(27,034)	443,552	(4,282)
Special item	(16,786)	(43,643)	(102,643)	(163,072)	(1,183)
Transfers out	---	---	(22,366)	(22,366)	---
Change in net assets	<u>(107,526)</u>	<u>517,683</u>	<u>(152,043)</u>	<u>258,114</u>	<u>(5,465)</u>
Total Net Assets (Deficit) - Beginning	<u>(1,462,172)</u>	<u>15,818,796</u>	<u>3,335,159</u>	<u>17,691,783</u>	<u>104,839</u>
Total Net Assets (Deficit) - Ending	<u>\$ (1,569,698)</u>	<u>\$ 16,336,479</u>	<u>\$ 3,183,116</u>	<u>\$ 17,949,897</u>	<u>\$ 99,374</u>

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City of Maryville, Missouri

Statement of Cash Flows

Proprietary Funds

For the Year Ended September 30, 2012

	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	\$ 1,067,692	\$ 4,397,790	\$ 997,976	\$ 6,463,458	\$ 1,025,755
Cash Paid to Suppliers	(930,087)	(1,627,594)	(1,074,035)	(3,631,716)	(963,314)
Cash Paid to Employees	(138,835)	(362,437)	(863,187)	(1,364,459)	(64,045)
Other Operating	---	29,019	3,285	32,304	---
Net Cash Provided by (used in) Operating Activities	<u>(1,230)</u>	<u>2,436,778</u>	<u>(935,961)</u>	<u>1,499,587</u>	<u>(1,604)</u>
Cash Flows from Non-Capital Financing Activities:					
Sales Tax	---	---	942,348	942,348	---
Intergovernmental and contributions	---	42,218	64,999	107,217	---
Transfers to other funds	---	---	(22,366)	(22,366)	---
Net Cash Provided by Non-Capital Financing Activities	<u>---</u>	<u>42,218</u>	<u>984,981</u>	<u>1,027,199</u>	<u>---</u>
Cash Flows from Capital and Related Financing Activities:					
Purchase of Capital Assets	---	(3,315,461)	(204,434)	(3,519,895)	---
Proceeds from Insurance recoveries	77,077	268,117	334,789	679,983	5,255
Proceeds from sale of capital assets	---	---	25,267	25,267	---
Proceeds from capital lease	---	1,878,369	---	1,878,369	---
Principal Payments on Capital Debt	(11,618)	(754,436)	(106,058)	(872,112)	---
Interest Paid on Capital Debt	(1,401)	(270,488)	(28,844)	(300,733)	---
Net Cash (used in) Capital and Related Financing Activities	<u>64,058</u>	<u>(2,193,899)</u>	<u>20,720</u>	<u>(2,109,121)</u>	<u>5,255</u>
Cash Flows from Investing Activities:					
Income Received on Investments	416	15,715	1,246	17,377	---
Maturity of investments	---	509,043	---	509,043	---
Net Cash Provided by Investing Activities	<u>416</u>	<u>524,758</u>	<u>1,246</u>	<u>526,420</u>	<u>---</u>
Net Increase (Decrease) in Cash and Cash Equivalents					
	63,244	809,855	70,986	944,085	3,651
Cash and Cash Equivalents, beginning of year	<u>243,119</u>	<u>4,382,457</u>	<u>839,823</u>	<u>5,465,399</u>	<u>95,620</u>
Cash and Cash Equivalents, end of year	<u>\$ 306,363</u>	<u>\$ 5,192,312</u>	<u>\$ 910,809</u>	<u>\$ 6,409,484</u>	<u>\$ 99,271</u>

(continued)

City of Maryville, Missouri

Statement of Cash Flows (Continued)

Proprietary Funds

For the Year Ended September 30, 2012

	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)	\$ (89,755)	\$ 753,089	\$ (1,052,533)	\$ (389,199)	\$ (4,282)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	37,822	1,420,528	325,604	1,783,954	630
Net pension obligation	1,943	4,803	9,246	15,992	984
Landfill post-closure expense	40,160	---	---	40,160	---
Change in assets and liabilities:					
Receivables	21,638	(42,069)	(6,386)	(26,817)	502
Prepaid expenses	250	15,382	17,488	33,120	161
Inventory	---	30,047	(22,598)	7,449	(884)
Accounts payable and accrued expenses	(13,013)	238,769	(199,053)	26,703	1,171
Compensated absences	1,725	(857)	(6,179)	(5,311)	114
Refundable deposits	(2,000)	17,086	(1,550)	13,536	---
Net Cash provided by (used in) Operating Activities	<u>\$ (1,230)</u>	<u>\$ 2,436,778</u>	<u>\$ (935,961)</u>	<u>\$ 1,499,587</u>	<u>\$ (1,604)</u>
Reconciliation of cash and cash equivalents to specific assets on the statement of net assets:					
Cash, cash equivalents and investments	\$ 306,363	\$ 6,021,226	\$ 907,927	\$ 7,235,516	\$ 99,271
Restricted cash and cash equivalents	---	171,088	2,882	173,970	---
Less: Investments in certificates of deposit	---	(1,000,000)	---	(1,000,000)	---
Less: Investments in money market funds	---	(2)	---	(2)	---
Cash and cash equivalents, end of year	<u>\$ 306,363</u>	<u>\$ 5,192,312</u>	<u>\$ 910,809</u>	<u>\$ 6,409,484</u>	<u>\$ 99,271</u>
Supplemental disclosure of cash flow information:					
Noncash investing, capital and financing activities:					
Change in capital asset acquisitions through accounts payable	\$ ---	\$ (87,681)	\$ (6,429)	\$ (94,110)	\$ ---
Amortization of bond issue costs of \$10,143 and amortization of bond premiums of (\$10,723) as a component of interest expense	\$ ---	\$ (580)	\$ ---	\$ (580)	\$ ---
Insurance recovery:					
Accounts receivable write off	\$ (16,786)	\$ (43,643)	\$ (102,643)	\$ (163,072)	\$ ---
Change in landfill post-closure valuation liability	\$ 40,160	\$ ---	\$ ---	\$ 40,160	\$ ---
Change in net pension obligation	\$ 1,943	\$ 4,803	\$ 9,246	\$ 15,992	\$ ---

City of Maryville, Missouri
Statement of Fiduciary Net Assets

Fiduciary Funds

September 30, 2012

	<u>Private Purpose Trust Fund</u>	<u>Agency Funds</u>
ASSETS		
Cash, cash equivalents and investments	\$ 224,534	\$ 27,522
Total Assets	<u>\$ 224,534</u>	<u>\$ 27,522</u>
LIABILITIES		
Court bonds payable	---	27,522
Total Liabilities	<u>---</u>	<u>27,522</u>
NET ASSETS		
Held in trust for other purposes	<u>\$ 224,534</u>	<u>\$ ---</u>

City of Maryville, Missouri
Statement of Changes in Fiduciary Net Assets

Fiduciary Fund

For the Year Ended September 30, 2012

	<u>Private Purpose Trust Fund</u>
ADDITIONS	
Interest income	\$ 1,382
Total Additions	<u>1,382</u>
DEDUCTIONS	
Contractual services	---
Total Deductions	<u>---</u>
Change in Net Assets	1,382
Net assets - beginning	<u>223,152</u>
Net assets - ending	<u><u>\$ 224,534</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 11,972 residents, including law enforcement, fire protection, water and sewer services, community enrichment and development, and various social services. The Maryville R-II School District, a separate governmental entity, provides educational services.

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

Financial Reporting Entity

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

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

Government-Wide and Fund Financial Statements:

The government-wide financial statements (i.e., the statement of net 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 **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 1/2 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 **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 **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. Property taxes are levied each year on all taxable real and personal property in the City. The City's property tax is levied each October on the assessed value as of the prior January 1. On January 1, a lien attached to all property for which taxes are unpaid.

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

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

Cash and Investments

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

Cash and Cash Equivalents

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

Restricted Assets

Cash in the Water/Sewer Fund is restricted for repayment of refundable water deposits. Cash in the Mozingo Recreation Fund is restricted for repayment of refundable deposits for cabin reservations.

Receivables

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

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.

City of Maryville, Missouri

Notes to Basic Financial Statements

1. Summary of Significant Accounting Policies, continued

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, if significant, 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, 2012.

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

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

Interfund Transactions

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

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

Compensated Absences

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

Due to the ability of an employee to take any and all of their allotted vacation in a 12 month period, the City considers any long term portion of accrued vacation to be immaterial and not subject to estimation.

City of Maryville, Missouri

Notes to Basic Financial Statements

1. Summary of Significant Accounting Policies, continued

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 Balance Policies

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

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

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

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

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

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

When both restricted and unrestricted resources are available, the City will spend the most restricted amounts before the least restricted.

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

Net 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 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. Net assets restricted through enabling legislation consist of \$562,805 for debt service, \$439,713 for tax increment

City of Maryville, Missouri

Notes to Basic Financial Statements

1. Summary of Significant Accounting Policies, continued

financing project, \$649,290 for park and recreation, \$1,050,009 for capital improvements and \$3,010 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, repurchase agreements and money market mutual funds. As of September 30, 2012, the City's funds were in depository accounts, certificates of deposit and money market mutual funds.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer maturity of an investment means the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits investment maturities to 24 months. As of September 30, 2012, the City has \$416,692 invested in money market mutual funds in which funds may be withdrawn at any time.

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, 2012, the City's investments in money market mutual funds were rated Aaa and AAAM by Moody's Investor Services and Standard and Poor's, respectively.

Concentration of Credit Risk

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

City of Maryville, Missouri

Notes to Basic Financial Statements

2. Deposits and Investments, continued

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 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, 2012 the City was not exposed to custodial credit risk for deposits. The City's investment in money market mutual funds are not subject to custodial credit risk.

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

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:

Governmental Funds:

	<u>General Fund</u>	<u>Park and Recreation Fund</u>	<u>Capital Improvements Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Taxes:					
Property taxes	\$ 11,015	\$ 10,118	\$ -	\$ 4,147	\$ 25,280
Sales taxes	257,437	30,539	122,114	30,539	440,629
Franchise taxes	<u>188,765</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>188,765</u>
Gross taxes	457,217	40,657	122,114	34,686	654,674
Less: Allowance for Uncollectibles	<u>(4,163)</u>	<u>(4,011)</u>	<u>-</u>	<u>(1,552)</u>	<u>(9,726)</u>
Total Taxes Receivables	<u>\$ 453,054</u>	<u>\$ 36,646</u>	<u>\$ 122,114</u>	<u>\$ 33,134</u>	<u>\$ 644,948</u>

Enterprise Funds:

	<u>Mozingo Recreation Fund</u>
Taxes:	
Sales tax	<u>\$ 128,718</u>
Total Taxes Receivable	<u>\$ 128,718</u>

City of Maryville, Missouri

Notes to Basic Financial Statements

4. Capital Assets

The following is a summary of changes in capital assets for the year ended September 30, 2012

Governmental Activities	Beginning Balance	Additions and Transfers	Deletions and Transfers	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 456,757	\$ -	\$ -	\$ 456,757
Construction in progress	139,567	302,223	-	441,790
Total capital assets not being depreciated	596,324	302,223	-	898,547
Capital assets, being depreciated:				
Buildings	5,227,768	110,685	-	5,338,453
Improvements other than buildings	13,846,086	27,606	-	13,873,692
Machinery and equipment	2,668,222	279,705	70,183	2,877,744
Total capital assets being depreciated	21,742,076	417,996	70,183	22,089,889
Less accumulated depreciation for:				
Buildings	2,022,245	237,588	-	2,259,833
Improvements other than buildings	5,032,699	568,122	-	5,600,821
Machinery and equipment	2,104,051	178,928	70,183	2,212,796
Total accumulated depreciation	9,158,995	984,638	70,183	10,073,450
Total capital assets being depreciated, net	12,583,081	(566,642)	-	12,016,439
Governmental activities capital assets, net	\$13,179,405	\$ (264,419)	\$ -	\$12,914,986

Business Activities	Beginning Balance	Additions and Transfers	Deletions and Transfers	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 1,907,872	\$ -	\$ -	\$ 1,907,872
Intangible asset	165,854	-	-	165,854
Construction in progress	3,965,624	690,346	3,840,324	815,646
Total capital assets not being depreciated	6,039,350	690,346	3,840,324	2,889,372
Capital assets, being depreciated:				
Buildings	8,423,353	94,068	-	8,517,421
Improvements other than buildings	32,722,341	3,135,721	-	35,858,062
Machinery and equipment	3,100,437	2,804,944	98,281	5,807,100
Total capital assets being depreciated	44,246,131	6,034,733	98,281	50,182,583
Less accumulated depreciation for:				
Buildings	4,442,854	405,380	-	4,848,234
Improvements other than buildings	25,118,565	1,067,727	-	26,186,292
Machinery and equipment	2,409,028	310,847	98,281	2,621,594
Total accumulated depreciation	31,970,447	1,783,954	98,281	33,656,120
Total capital assets being depreciated, net	12,275,684	4,250,779	-	16,526,463
Business type activities capital assets, net	\$ 18,315,034	\$ 4,941,125	\$ 3,840,324	\$ 19,415,835

City of Maryville, Missouri

Notes to Basic Financial Statements

4. Capital Assets, continued

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

Governmental Activities:		Business-type Activities:	
General government	\$ 86,268	Solid Waste	\$ 37,822
Public safety	69,713	Water and Sewer	1,420,528
Public works	339,925	Mozingo Recreation	<u>325,604</u>
Parks and recreation	470,810		
Internal service	<u>17,922</u>	Total depreciation expense, business-type activities	<u>\$ 1,783,954</u>
Total depreciation expense, governmental activities	<u>\$ 984,638</u>		

5. Long-Term Debt

The following is a summary of changes in long-term debt for the year ended September 30, 2012:

	Balance September 30, 2011	Additions	Retirements	Balance September 30, 2012	Due Within One Year
Governmental Activities:					
Capital leases	\$ 6,031	\$ -	\$ 6,031	\$ -	\$ -
General obligation bonds	3,980,000	-	185,000	3,795,000	195,000
TIF revenue bonds	2,380,000	-	70,000	2,310,000	80,000
Certificates of participation	1,310,000	-	240,000	1,070,000	250,000
Compensated absences	165,945	143,816	144,978	164,783	164,783
	<u>\$ 7,841,976</u>	<u>\$ 143,816</u>	<u>\$ 646,009</u>	<u>\$ 7,339,783</u>	<u>\$ 689,783</u>
Business-Type Activities:					
Revenue bonds	\$ 2,550,000	\$ -	\$ 330,000	\$ 2,220,000	\$ 350,000
Certificates of participation	2,795,000	-	100,000	2,695,000	105,000
Capital leases	785,265	1,878,369	424,320	2,239,314	446,412
Note payable	44,888	-	17,791	27,097	18,888
Landfill post-closure liability	1,897,412	40,160	-	1,937,572	-
Compensated absences	68,072	43,258	48,569	62,761	62,761
	<u>\$ 8,140,637</u>	<u>\$ 1,961,787</u>	<u>\$ 920,680</u>	<u>\$ 9,181,744</u>	<u>\$ 983,061</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, 2012, \$2,712 of accrued compensated absences is included in the above amount. For the governmental activities, the General Fund and the Park and Recreation Fund generally liquidate accrued compensated absences.

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

Governmental Activities:

General Obligation Bonds:	<u>Amount Outstanding</u>
---------------------------	-------------------------------

On 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.

\$ 3,795,000

City of Maryville, Missouri

Notes to Basic Financial Statements

5. Long-Term Debt, continued

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 \$3,427,069 payable through March 1, 2026. For the current year, principal and interest paid were \$197,968 and PILOTS and EATS taxes were \$170,706. 2,310,000

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. 1,070,000

Compensated absences 164,783

Total governmental activities \$ 7,339,783

Business-Type Activities:

Revenue Bonds:

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. \$ 2,220,000

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 \$2,928,251, payable through 2018. For the current year, principal and interest paid and total customer net revenues were \$415,869 and \$2,189,332 respectively.

City of Maryville, Missouri

Notes to Basic Financial Statements

5. Long-Term Debt, continued

Certificates of Participation:

On November 4, 2010, the City issued \$2,795,000 in Certificates of Participation, consisting of \$770,000 of tax exempt Series 2010A and \$2,025,000 of taxable Build America Bonds Series 2010B. Series 2010A bonds are due in annual installments through February 1, 2018, with interest at 2.75% to 3.0% due February 1 and August 1 of each year. Series 2010B bonds are due in annual installments starting 2019 through February 2031, with interest at 5.063% to 6.332% due February 1 and August 1 of each year starting February 1, 2011. \$ 2,695,000

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. The aggregate cost of the carts and range picker is \$114,453, less accumulated depreciation of \$80,115 results in a carrying value of \$34,338. 30,167

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. The aggregate cost of the lift station is \$469,220, less accumulated depreciation of \$70,380 results in a carrying value of \$398,840. 67,633

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. The aggregate cost of the loader is \$78,445, less accumulated depreciation of \$50,427 results in a carrying value \$28,018. 25,885

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. The aggregate cost of the golf cart paths is \$748,447, less accumulated depreciation of \$130,977 results in a carrying value of \$617,407. 445,491

In November 2011, the City entered into an agreement to finance the acquisition and replacement of its membranes modules for all three (3) trains at the water treatment plant and one in the Capex building. The lease calls for monthly payments of \$24,214.62 at 2.28% until November 2018. The aggregate cost of the membranes is \$2,178,369, less accumulated depreciation of \$108,918 results in a carrying value of \$2,069,451. 1,670,138

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. 27,097

City of Maryville, Missouri

Notes to Basic Financial Statements

5. Long-Term Debt, continued

Compensated Absences	<u>62,761</u>
Total business-type activities	<u>\$ 7,244,172</u>

Annual debt service requirements for long-term liabilities at September 30, 2012 are as follows:

Governmental Activities:

Year Ending September 30,	Certificates of Participation	
	Principal	Interest
2013	\$ 250,000	\$ 41,470
2014	260,000	30,385
2015	275,000	18,875
2016	<u>285,000</u>	<u>6,412</u>
	<u>\$ 1,070,000</u>	<u>\$ 97,142</u>

Annual debt service requirements for long-term liabilities at September 30, 2012 are as follows:

Governmental Activities:

Year Ending September 30,	Tax Increment Revenue Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2013	\$ 80,000	\$ 124,213	\$ 195,000	\$ 156,974
2014	90,000	119,877	220,000	148,799
2015	95,000	115,160	225,000	141,843
2016	110,000	109,781	210,000	133,461
2017	115,000	103,734	230,000	123,561
2018 - 2022	770,000	406,047	1,505,000	434,535
2023 - 2027	1,050,000	138,256	800,000	189,245
2028 - 2029	<u>-</u>	<u>-</u>	<u>410,000</u>	<u>19,090</u>
	<u>\$ 2,310,000</u>	<u>\$ 1,117,068</u>	<u>\$ 3,795,000</u>	<u>\$ 1,347,508</u>

Business-Type Activities:

Year Ending September 30,	Note Payable		Revenue Bonds	
	Principal	Interest	Principal	Interest
2013	\$ 18,888	\$ 1,112	\$ 350,000	\$ 76,794
2014	8,209	124	350,000	67,169
2015	-	-	365,000	56,669
2016	-	-	370,000	44,350
2017	-	-	385,000	31,400
2018	<u>-</u>	<u>-</u>	<u>400,000</u>	<u>16,000</u>
	<u>\$ 27,097</u>	<u>\$ 1,236</u>	<u>\$ 2,220,000</u>	<u>\$ 292,382</u>

City of Maryville, Missouri

Notes to Basic Financial Statements

5. Long-Term Debt, continued

Year Ending September 30,	Capital Leases		Certificates of Participation	
	Principal	Interest	Principal	Interest
2013	\$ 446,412	\$ 60,643	\$ 105,000	\$ 138,273
2014	368,495	44,508	105,000	135,123
2015	362,278	33,692	110,000	131,898
2016	371,643	23,241	115,000	128,667
2017	356,263	12,522	115,000	125,504
2018 - 2022	334,223	4,782	640,000	551,164
2023 - 2027	-	-	765,000	355,321
2028 - 2031	-	-	740,000	95,930
	<u>\$ 2,239,314</u>	<u>\$ 179,388</u>	<u>\$ 2,695,000</u>	<u>\$ 1,661,880</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, 2012, the City has the following reserves:

Debt service account	\$ 106,698
Operation and maintenance account	150,000
Total	<u>\$ 256,698</u>

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	\$ -	\$ 94,731
Park and Recreation	-	5,591
Capital Improvements	50,000	22,366
Nonmajor Governmental Funds:		
TIF	100,646	-
Debt Service	-	5,592
Total governmental activities	<u>\$ 150,646</u>	<u>\$ 128,280</u>

City of Maryville, Missouri

Notes to Basic Financial Statements

6. Interfund Transfers and Balances, continued

Business-type activities:		
Mozingo Recreation	\$ -	22,366
Total business-type activities	<u>\$ -</u>	<u>\$ 22,366</u>
Total interfund transfers	<u>\$ 150,646</u>	<u>\$ 150,646</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 \$237,616. 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 balances	<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.

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

City of Maryville, Missouri

Notes to Basic Financial Statements

7. Risk Management, continued

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, 2012.

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 October 28, 2008. The \$1,937,572 reported as landfill post-closure liability at September 30, 2012, represents the City's Financial Assurance Instrument (FAI) in its Contract of Obligation with Missouri Department of Natural Resources, and is based on the cost to perform all post-closure care. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The City is required by state and federal laws and regulations to provide a financial assurance instrument in such amount and form as prescribed by the State of Missouri Department of Natural Resources (DNR). The City is in compliance with these requirements, and at September 30, 2012, the City was under a "Contract of Obligation" totaling \$1,937,572. The "Contract of Obligation" authorizes DNR to collect \$1,937,572 from any funds due the City from the Missouri Department of Revenue and the State Treasurer to compensate for State corrective procedures if the City does not properly close and monitor the landfill. After the sixth anniversary of the beginning of the post-closure care period, DNR will annually allow the City to decrease the FAI in an amount equal to the estimated post-closure care cost for the previous twelve months, provided the FAI is sufficient to cover the costs for the remaining post-closure care period plus five years.

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.

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.

City of Maryville, Missouri

Notes to Basic Financial Statements

10. Missouri LAGERS Defined Benefit Pension Plan

Plan Description

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

LAGERS 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's full-time employees do not contribute to the pension plan. The June 30th statutorily required contribution rates are 12.8% (general), and 7.6% (police), and 4.8% (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 (APC) and Net Pension Obligation (NPO)

The subdivision's annual pension cost and net pension obligation for the current year were as follows:

Annual required contribution	\$ 324,328
Interest on net pension obligation	2,806
Adjustment to annual required contribution	<u>(2,135)</u>
Annual pension cost	324,999
Actual contributions	<u>277,949</u>
Increase (decrease) in NPO	47,050
NPO beginning of year	<u>38,700</u>
NPO end of year	<u>\$ 85,750</u>

The annual required contribution (ARC) was determined as part of the February 28, 2009 and February 28, 2010 annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 29, 2012 included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% 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 75% of the RP-2000 Combined Healthy Table setback 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 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 30 years for the General division, 5 years for the Police division 12 years for the Fire division. The amortization period as of February 28, 2010 was 30 years for the General division, 5 years for the Police division and 12 years for the Fire division.

City of Maryville, Missouri

Notes to Basic Financial Statements

10. Missouri LAGERS Defined Benefit Pension Plan, continued

Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2010	\$ 159,885	100.0%	\$ -
6/30/2011	227,645	83.0%	38,700
6/30/2012	324,999	85.5%	85,750

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Entry Age Actuarial Accrued Liability (b)	Unfunded Accrued Liability (U/OAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	OAL/UAL as a Percentage of Covered Payroll [(b-a)/c]
2/29/10	\$ 5,776,613	\$ 6,230,174	\$ 453,561	93%	\$ 3,090,929	15%
2/28/11	6,389,588	6,930,798	541,210	92	3,103,692	17
2/28/12	6,453,780	6,814,132	360,352	95	2,804,556	13
2/28/12#	6,453,780	7,369,634	915,854	88	2,804,556	33

After benefit changes.

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, 2011 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

11. Commitments and Contingent Liabilities

As of September 30, 2012, the City was obligated on construction contracts and commitments as follows:

Project Description	Fund	Commitment	Type of Commitment
Airport fuel tanks	General	33,586	Engineering
Airport fuel tanks	General	340,700	Construction
FY 2012 audit	General	12,378	Professional fees
Gateway signage	General	30,000	Professional fees
Comprehensive plan	General	2,399	Professional fees
FY 2012 audit	Park & Recreation	3,662	Professional fees
Trails	Capital Improvements	175,313	Engineering
Street improvements	Capital Improvements	1,142,694	Construction
Street improvements	Capital Improvements	133,898	Engineering
Fire truck chassis	Capital Improvements	18,116	Equipment
Groundwater monitoring	Solid Waste	14,500	Engineering

City of Maryville, Missouri

Notes to Basic Financial Statements

11. Commitments and Contingent Liabilities, continued

FY 2012 audit	Water/Sewer	10,703	Professional fees
Sewer treatment facility	Water/Sewer	176,642	Engineering
Poly tank	Water/Sewer	4,590	Equipment
Inflow and infiltration study	Water/Sewer	7,500	Engineering
FY 2012 audit	Mozingo Recreation	4,857	Professional fees

12. Fund Equity Deficit

At September 30, 2012 the Solid Waste (Enterprise) Fund had a deficit fund equity balance of \$1,569,698. 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. Related Party Transaction

The City purchased engineering services of approximately \$252,000 from a company who is affiliated with one of the council members.

15. Special Item – Insurance Recoveries

The City performed some of the repair work due to storm damage internally rather than contracting out the work as originally estimated by the insurance company. Amounts reported as special items consist of insurance recoveries that were recalculated and reduced by the insurance company.

16. Subsequent Events

In April, 2012, the City passed an ordinance authorizing combined waterworks and sewerage system revenue bonds for an amount up to \$13,750,000 to extend and improve the wastewater system of the City.

In August 2012, the City passed a resolution declaring its intent to finance the costs to construct, reconstruct and improve certain roadway projects in an amount up to \$3,350,000.

The debt has not been issued as of September 30, 2012.

City of Maryville, Missouri

Notes to Basic Financial Statements

17. New Pronouncements

The City implemented the following Governmental Accounting Standards Board (GASB) statements during the year ended September 30, 2012:

- GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, an amendment of GASB Statement No. 43 and No. 45. This Statement addresses issues related to measurement of OPEB obligations by certain employers participating in agent multiple-employer OPEB plans. The adoption of this statement had no effect on the City.
- GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions—an amendment of GASB Statement No. 53*. The Statement provides criteria that establish when the effective hedging relationship continues (after the replacement of a swap counterparty or a swap counterparty's credit support provider) and hedge accounting should continue to be applied. The adoption of this statement had no effect on the City.

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

- GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, issued November 2010, will be effective for the City beginning with its year ending September 30, 2013. This Statement is intended to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. Specifically, this Statement improves financial reporting by establishing recognition, measurement, and disclosure requirements SCAs for both transferors and governmental operators, requiring governments to account for and report SCAs in the same manner, which improves the comparability of financial statements. This Statement also improves the decision usefulness of financial reporting by requiring that specific relevant disclosures be made by transferors and governmental operators about SCAs.
- GASB Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*, issued November 2010, will be effective for the City beginning with its year ending September 30, 2013. This Statement is intended to improve financial reporting for a governmental financial reporting entity by improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity. The amendments to the criteria for including component units allow users of financial statements to better assess the accountability of elected officials by ensuring that the financial reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. The amendments to the criteria for blending also improve the focus of a financial reporting entity on the primary government by ensuring that the primary government includes only those component units that are so intertwined with the primary government that they are essentially the same as the primary government, and by clarifying which component units have that characteristic.
- GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, issued December 2010, will be effective for the City beginning with its year ending September 30, 2013. The purpose of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the AICPA Committee on Accounting Procedure that were issued on or before November 30, 1989, which do not conflict with or contradict GASB pronouncements.

City of Maryville, Missouri

Notes to Basic Financial Statements

17. New Pronouncements, continued

- GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, issued June 2011, will be effective for the City beginning with its year ending September 30, 2013. The purpose of this Statement is to provide financial reporting guidance for deferred outflows of resources and deferred inflows of resources and to rename the residual measure as net position instead of net assets.

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

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Required Supplementary Information

City of Maryville, Missouri

Required Supplementary Information Budgetary Comparison Schedule General Fund

For the Year Ended September 30, 2012

	Budget		Actual	Final to Actual
	Original	Final		Positive (Negative)
REVENUES				
Taxes	\$ 3,735,700	\$ 3,735,700	\$ 3,948,797	\$ 213,097
Licenses and permits	67,800	67,800	96,015	28,215
Intergovernmental revenues	768,471	768,471	558,833	(209,638)
Charges for services	37,600	37,600	48,626	11,026
Fines and forfeitures	404,060	404,060	377,954	(26,106)
Interest	8,500	8,500	5,193	(3,307)
Other	84,055	84,055	220,512	136,457
Total Revenues	<u>5,106,186</u>	<u>5,106,186</u>	<u>5,255,930</u>	<u>149,744</u>
EXPENDITURES				
Current:				
General government	1,163,034	1,163,034	1,006,846	156,188
Public safety	2,181,633	2,181,633	2,121,685	59,948
Public works	1,986,033	1,986,033	1,658,433	327,600
Debt service:				
Principal retirement	6,031	6,031	6,031	---
Interest and fiscal charges	3,047	3,047	3,061	(14)
Total expenditures	<u>5,339,778</u>	<u>5,339,778</u>	<u>4,796,056</u>	<u>543,722</u>
Excess of revenues over (under) expenditures	<u>(233,592)</u>	<u>(233,592)</u>	<u>459,874</u>	<u>693,466</u>
OTHER FINANCING USES				
Transfers out	<u>(87,000)</u>	<u>(87,000)</u>	<u>(94,731)</u>	<u>(7,731)</u>
Total other financing uses	<u>(87,000)</u>	<u>(87,000)</u>	<u>(94,731)</u>	<u>(7,731)</u>
Net change in fund balances	<u>\$ (320,592)</u>	<u>\$ (320,592)</u>	<u>365,143</u>	<u>\$ 685,735</u>
Fund balances - Beginning			<u>1,965,044</u>	
Fund balances - Ending			<u>\$ 2,330,187</u>	

City of Maryville, Missouri

**Required Supplementary Information
Budgetary Comparison Schedule
Park and Recreation Fund**

For the Year Ended September 30, 2012

	Budget		Actual	Final to Actual Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 607,700	\$ 607,700	\$ 621,783	\$ 14,083
Intergovernmental revenues	---	---	4,237	4,237
Charges for services	561,300	561,300	585,590	24,290
Interest	2,300	2,300	1,007	(1,293)
Other	27,900	340,365	342,718	2,353
Total Revenues	<u>1,199,200</u>	<u>1,511,665</u>	<u>1,555,335</u>	<u>43,670</u>
EXPENDITURES				
Current:				
Park and recreation	<u>1,283,177</u>	<u>1,391,719</u>	<u>1,343,647</u>	<u>48,072</u>
Excess of revenues over (under) expenditures	(83,977)	119,946	211,688	91,742
OTHER FINANCING USES				
Transfers out	<u>(4,350)</u>	<u>(5,100)</u>	<u>(5,591)</u>	<u>(491)</u>
Net change in fund balances	<u>\$ (88,327)</u>	<u>\$ 114,846</u>	<u>\$ 206,097</u>	<u>\$ 91,251</u>
Fund balances - Beginning			<u>443,193</u>	
Fund balances - Ending			<u>\$ 649,290</u>	

City of Maryville, Missouri

**Required Supplementary Information
Budgetary Comparison Schedule
Capital Improvements Fund
For the Year Ended September 30, 2012**

	Budget		Actual	Final to Actual Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 828,000	\$ 828,000	\$ 893,322	\$ 65,322
Intergovernmental revenues	374,965	374,965	73,842	(301,123)
Interest	1,300	1,300	1,150	(150)
Total Revenues	<u>1,204,265</u>	<u>1,204,265</u>	<u>968,314</u>	<u>(235,951)</u>
EXPENDITURES				
Capital Outlay	929,965	929,965	484,552	445,413
Debt service:				
Principal retirement	240,000	240,000	240,000	---
Interest and fiscal charges	55,170	55,170	55,107	63
Total expenditures	<u>1,225,135</u>	<u>1,225,135</u>	<u>779,659</u>	<u>445,476</u>
Excess of revenues over (under) expenditures	<u>(20,870)</u>	<u>(20,870)</u>	<u>188,655</u>	<u>209,525</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	50,000	50,000	50,000	---
Transfers out	(18,000)	(18,000)	(22,366)	(4,366)
Total other financing sources (uses)	<u>32,000</u>	<u>32,000</u>	<u>27,634</u>	<u>(4,366)</u>
Net change in fund balances	<u>\$ 11,130</u>	<u>\$ 11,130</u>	216,289	<u>\$ 205,159</u>
Fund balances - Beginning			<u>833,720</u>	
Fund balances - Ending			<u>\$ 1,050,009</u>	

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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 Park and Recreation Fund, the Debt Retirement Fund, the Solid Waste Fund, the Mozingo Recreation Fund and the Central Garage Fund by a total of \$1,433,510. A review of the budget is done annually as part of the budget preparation process and any revisions needed are presented to the City Council for supplemental appropriation. Unencumbered appropriations lapse at year-end.

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Other Supplementary Information

Combining and Individual Fund Financial
Statements and Schedules

City of Maryville, Missouri Combining Balance Sheet

Non-Major Governmental Funds

September 30, 2012

	<u>Debt Service</u>	<u>Special Revenue</u>	<u>Total</u>
	<u>Debt Retirement Fund</u>	<u>TIF Fund</u>	<u>Non-Major Governmental Funds</u>
ASSETS			
Cash, cash equivalents and investments			
Receivables, net:	\$ 529,671	\$ 432,667	\$ 962,338
Taxes	33,134	---	33,134
Accounts	---	7,116	7,116
Total Assets	<u>\$ 562,805</u>	<u>\$ 439,783</u>	<u>\$ 1,002,588</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued expenses	\$ ---	\$ 70	\$ 70
Total Liabilities	<u>---</u>	<u>70</u>	<u>70</u>
Fund Balances:			
Restricted for:			
Debt service	<u>562,805</u>	<u>439,713</u>	<u>1,002,518</u>
Total Fund Balances	<u>562,805</u>	<u>439,713</u>	<u>1,002,518</u>
Total Liabilities and Fund Balances	<u>\$ 562,805</u>	<u>\$ 439,783</u>	<u>\$ 1,002,588</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, 2012

	<u>Debt Service</u>	<u>Special Revenue</u>		<u>Total</u>
	<u>Debt Retirement Fund</u>	<u>Community Center Construction Fund</u>	<u>TIF Fund</u>	<u>Non-Major Governmental Funds</u>
REVENUES				
Taxes	\$ 395,143	\$ ---	\$ 170,707	\$ 565,850
Interest	844	---	50	894
Total Revenues	<u>395,987</u>	<u>---</u>	<u>170,757</u>	<u>566,744</u>
EXPENDITURES				
Capital outlay	---	6,374	21,401	27,775
Debt service:				
Principal retirement	185,000	---	70,000	255,000
Interest and fiscal charges	172,646	---	127,968	300,614
Total expenditures	<u>357,646</u>	<u>6,374</u>	<u>219,369</u>	<u>583,389</u>
Excess of revenues over (under) expenditures	<u>38,341</u>	<u>(6,374)</u>	<u>(48,612)</u>	<u>(16,645)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	---	---	100,646	100,646
Transfers out	(5,592)	---	---	(5,592)
Total other financing sources (uses)	<u>(5,592)</u>	<u>---</u>	<u>100,646</u>	<u>95,054</u>
Net change in fund balances	32,749	(6,374)	52,034	78,409
Fund balances - Beginning	<u>530,056</u>	<u>6,374</u>	<u>387,679</u>	<u>924,109</u>
Fund balances - Ending	<u>\$ 562,805</u>	<u>\$ ---</u>	<u>\$ 439,713</u>	<u>\$ 1,002,518</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, 2012**

	Budget		Actual	Final to Actual Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 374,350	\$ 392,350	\$ 395,143	\$ 2,793
Interest	1,500	940	844	(96)
Total Revenues	<u>375,850</u>	<u>393,290</u>	<u>395,987</u>	<u>2,697</u>
EXPENDITURES				
Debt service:				
Principal retirement	185,000	185,000	185,000	---
Interest and fiscal charges	173,143	173,143	172,646	497
Total expenditures	<u>358,143</u>	<u>358,143</u>	<u>357,646</u>	<u>497</u>
Excess of revenues over expenditures	<u>17,707</u>	<u>35,147</u>	<u>38,341</u>	<u>3,194</u>
OTHER FINANCING USES				
Transfers out	<u>(4,385)</u>	<u>(5,550)</u>	<u>(5,592)</u>	<u>(42)</u>
Total other financing uses	<u>(4,385)</u>	<u>(5,550)</u>	<u>(5,592)</u>	<u>(42)</u>
Net change in fund balances	<u>\$ 13,322</u>	<u>\$ 29,597</u>	32,749	<u>\$ 3,152</u>
Fund balances - Beginning			<u>530,056</u>	
Fund balances - Ending			<u>\$ 562,805</u>	

City of Maryville, Missouri

**Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Community Center Construction - Special Revenue Fund
For the Year Ended September 30, 2012**

	Budget		Actual	Final to Actual Positive (Negative)
	Original	Final		
REVENUES				
Interest	\$ ---	\$ ---	\$ ---	\$ ---
Total Revenues	---	---	---	---
EXPENDITURES				
Capital Outlay:				
Other improvements	---	---	6,374	(6,374)
Debt Service:				
Principal retirement	6,390	6,390	---	6,390
Total expenditures	6,390	6,390	6,374	16
Excess of revenues under expenditures	(6,390)	(6,390)	(6,374)	16
Net change in fund balances	<u>\$ (6,390)</u>	<u>\$ (6,390)</u>	(6,374)	<u>\$ 16</u>
Fund balances - Beginning			6,374	
Fund balances - Ending			<u>\$ ---</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, 2012

	Budget		Actual	Final to Actual Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 163,200	\$ 163,200	\$ 170,707	\$ 7,507
Interest	50	50	50	---
Total Revenues	<u>163,250</u>	<u>163,250</u>	<u>170,757</u>	<u>7,507</u>
EXPENDITURES				
Capital Outlay:				
TIF reimbursable project costs	21,620	21,620	21,401	219
Debt Service:				
Principal retirement	70,000	70,000	70,000	---
Interest and fiscal charges	127,968	127,968	127,968	---
Total expenditures	<u>219,588</u>	<u>219,588</u>	<u>219,369</u>	<u>219</u>
Excess of revenues under expenditures	<u>(56,338)</u>	<u>(56,338)</u>	<u>(48,612)</u>	<u>7,726</u>
OTHER FINANCING SOURCES				
Transfers in	81,335	81,335	100,646	19,311
Total other financing sources	<u>81,335</u>	<u>81,335</u>	<u>100,646</u>	<u>19,311</u>
Net change in fund balances	<u>\$ 24,997</u>	<u>\$ 24,997</u>	52,034	<u>\$ 27,037</u>
Fund balances - Beginning			<u>387,679</u>	
Fund balances - Ending			<u>\$ 439,713</u>	

City of Maryville, Missouri

Combining Statement of Net Assets

Internal Service Funds

September 30, 2012

	Central Garage Fund	Group Insurance Fund	Totals
ASSETS			
Current:			
Cash, cash equivalents and investments	\$ 5,705	\$ 93,566	\$ 99,271
Prepaid expense	2,284	---	2,284
Inventory	4,267	---	4,267
Total Current Assets	<u>12,256</u>	<u>93,566</u>	<u>105,822</u>
Noncurrent:			
Capital assets, net of accumulated depreciation	2,840	---	2,840
Total Noncurrent Assets	<u>2,840</u>	<u>---</u>	<u>2,840</u>
Total Assets	<u>\$ 15,096</u>	<u>\$ 93,566</u>	<u>\$ 108,662</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Current:			
Accounts payable and accrued expenses	\$ 6,178	\$ ---	\$ 6,178
Compensated absences payable	1,377	---	1,377
Total Current Liabilities	<u>7,555</u>	<u>---</u>	<u>7,555</u>
Noncurrent:			
Net pension obligation	1,733	---	1,733
Total Current Liabilities	<u>1,733</u>	<u>---</u>	<u>1,733</u>
Total Liabilities	<u>9,288</u>	<u>---</u>	<u>9,288</u>
Net assets:			
Invested in capital assets, net of related debt	2,840	---	2,840
Unrestricted	2,968	93,566	96,534
Total net assets	<u>5,808</u>	<u>93,566</u>	<u>99,374</u>
Total Liabilities and Net Assets	<u>\$ 15,096</u>	<u>\$ 93,566</u>	<u>\$ 108,662</u>

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

Internal Service Funds

For the Year Ended September 30, 2012

	Central Garage Fund	Group Insurance Fund	Totals
Operating Revenues:			
Charges for services	\$ 117,897	\$ 907,236	\$ 1,025,133
Miscellaneous	120	---	120
Total Operating Revenues	<u>118,017</u>	<u>907,236</u>	<u>1,025,253</u>
Operating Expenses:			
Personnel	65,143	---	65,143
Contractual services	11,406	905,093	916,499
Commodities	47,263	---	47,263
Depreciation	630	---	630
Total operating expenses	<u>124,442</u>	<u>905,093</u>	<u>1,029,535</u>
Operating income (loss)	<u>(6,425)</u>	<u>2,143</u>	<u>(4,282)</u>
Nonoperating Revenues (Expenses):			
Special item	<u>(1,183)</u>	---	<u>(1,183)</u>
Total Nonoperating Revenues (Expenses)	<u>(1,183)</u>	---	<u>(1,183)</u>
Income (loss)	(7,608)	2,143	(5,465)
Total Net Assets - Beginning	<u>13,416</u>	<u>91,423</u>	<u>104,839</u>
Total Net Assets - Ending	<u>\$ 5,808</u>	<u>\$ 93,566</u>	<u>\$ 99,374</u>

City of Maryville, Missouri

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended September 30, 2012

	Central Garage Fund	Group Insurance Fund	Totals
Cash Flows from Operating Activities:			
Cash Received from Customers	\$ 118,017	\$ 907,738	\$ 1,025,755
Cash Paid to Suppliers	(58,221)	(905,093)	(963,314)
Cash Paid to Employees	(64,045)	---	(64,045)
Net Cash Provided by (used in) Operating Activities	<u>(4,249)</u>	<u>2,645</u>	<u>(1,604)</u>
Cash Flows from Capital and Related Financing Activities:			
Proceeds from Insurance recoveries	<u>5,255</u>	<u>---</u>	<u>5,255</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,006	2,645	3,651
Cash and Cash Equivalents, beginning of year	<u>4,699</u>	<u>90,921</u>	<u>95,620</u>
Cash and Cash Equivalents, end of year	<u>\$ 5,705</u>	<u>\$ 93,566</u>	<u>\$ 99,271</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities:			
Operating income (loss)	\$ (6,425)	\$ 2,143	\$ (4,282)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	630	---	630
Net pension obligation	984	---	984
Change in assets and liabilities:			
Other receivables	---	502	502
Prepaid expense	161	---	161
Inventory	(884)	---	(884)
Accounts payable and accrued expenses	1,171	---	1,171
Compensated absences	<u>114</u>	<u>---</u>	<u>114</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (4,249)</u>	<u>\$ 2,645</u>	<u>\$ (1,604)</u>

City of Maryville, Missouri
Combining Statement of Assets and Liabilities

Agency Funds

September 30, 2012

	<u>Municipal Court Fund</u>	<u>Library Tax Fund</u>	<u>Total</u>
ASSETS			
Cash, cash equivalents and investments	\$ 27,522	\$ ---	\$ 27,522
Total Assets	<u>\$ 27,522</u>	<u>\$ ---</u>	<u>\$ 27,522</u>
LIABILITIES			
Court bonds payable	\$ 27,522	\$ ---	\$ 27,522
Total Liabilities	<u>\$ 27,522</u>	<u>\$ ---</u>	<u>\$ 27,522</u>

City of Maryville, Missouri

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended September 30, 2012

	<u>Balance September 30, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance September 30, 2012</u>
Municipal Court Fund				
Assets:				
Cash and cash equivalents	\$ 49,996	\$ 416,941	\$ 439,415	\$ 27,522
Total Assets	<u>\$ 49,996</u>	<u>\$ 416,941</u>	<u>\$ 439,415</u>	<u>\$ 27,522</u>
Liabilities:				
Court bonds payable	<u>\$ 49,996</u>	<u>\$ 416,941</u>	<u>\$ 439,415</u>	<u>\$ 27,522</u>
Library Tax Fund				
Assets:				
Cash and cash equivalents	\$ ---	\$ 252,077	\$ 252,077	\$ ---
Total Assets	<u>\$ ---</u>	<u>\$ 252,077</u>	<u>\$ 252,077</u>	<u>\$ ---</u>
Liabilities:				
Due to other governments	<u>\$ ---</u>	<u>\$ 252,077</u>	<u>\$ 252,077</u>	<u>\$ ---</u>
Total				
Assets:				
Cash and cash equivalents	\$ 49,996	\$ 669,018	\$ 691,492	\$ 27,522
Total Assets	<u>\$ 49,996</u>	<u>\$ 669,018</u>	<u>\$ 691,492</u>	<u>\$ 27,522</u>
Liabilities:				
Court bonds payable	\$ 49,996	\$ 416,941	\$ 439,415	\$ 27,522
Due to other governments	<u>---</u>	<u>252,077</u>	<u>252,077</u>	<u>---</u>
Total Liabilities	<u>\$ 49,996</u>	<u>\$ 669,018</u>	<u>\$ 691,492</u>	<u>\$ 27,522</u>

**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.	62 – 71
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.	72 – 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 Nine Fiscal Years
(accrual basis of accounting)
(Unaudited)**

	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	\$ 6,388,044	\$ 7,819,761	\$ 7,984,866
Restricted	340,204	385,450	938,474	953,509	1,201,217	1,392,988	1,866,593	2,649,575	2,704,827
Unrestricted	864,069	900,872	(1,637,416)	(1,207,956)	(881,601)	(43,187)	(304,162)	(195,542)	128,651
Total governmental activities net assets	\$ 4,252,924	\$ 4,805,367	\$ 3,279,583	\$ 4,114,651	\$ 6,269,390	\$ 7,535,529	\$ 7,950,475	\$ 10,273,794	\$ 10,818,344
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	\$ 12,684,104	\$ 12,574,685	\$ 12,427,605
Restricted	993,999	1,052,940	1,107,056	1,162,722	1,091,437	---	251,098	253,967	256,698
Unrestricted	1,976,966	2,007,753	1,295,601	1,055,910	2,967,868	4,272,990	4,135,749	4,863,131	5,265,594
Total business-type activities net assets	\$ 18,043,313	\$ 17,470,719	\$ 16,100,699	\$ 15,889,046	\$ 16,742,818	\$ 17,177,904	\$ 17,070,951	\$ 17,691,783	\$ 17,949,897
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	\$ 19,072,148	\$ 20,394,446	\$ 20,412,471
Restricted	1,334,203	1,438,390	2,045,530	2,116,231	2,292,654	1,392,988	2,117,691	2,903,542	2,961,525
Unrestricted	2,841,035	2,908,625	(341,815)	(152,046)	2,086,267	4,229,803	3,831,587	4,667,589	5,394,245
Total primary government net assets	\$ 22,296,237	\$ 22,276,086	\$ 19,380,282	\$ 20,003,697	\$ 23,012,208	\$ 24,713,433	\$ 25,021,426	\$ 27,965,577	\$ 28,768,241

GASB Statement No. 34 Implemented in Fiscal Year 2004

City of Maryville, Missouri

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

	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses:									
Governmental activities:									
General government	\$ 916,652	\$ 834,858	\$ 896,311	\$ 430,629	\$ 1,547,491	\$ 844,858	\$ 1,061,500	\$ 502,630	\$ 1,098,756
Public safety	1,572,179	1,754,039	1,817,181	1,785,307	1,982,827	2,043,053	2,179,812	2,173,896	2,102,893
Public works	1,299,883	1,289,136	4,097,552	1,842,358	897,955	2,253,884	2,174,413	2,438,217	2,054,923
Park and recreation	1,213,513	1,268,945	1,370,480	1,336,385	1,317,098	1,368,933	1,672,139	1,655,649	1,736,145
Economic development	71,000	---	---	---	---	---	---	---	---
Interest on long-term debt	186,621	146,181	285,965	281,927	281,591	399,091	400,762	402,338	373,431
Total governmental activities expenses	5,259,848	5,293,159	8,467,489	5,676,606	6,026,962	6,909,819	7,488,626	7,172,730	7,366,148
Business-type activities:									
Solid waste	701,603	638,542	1,432,001	644,904	719,249	754,271	758,319	948,629	1,137,210
Water/sewer utility	3,216,355	3,317,895	3,306,602	3,944,645	3,284,078	3,548,055	3,241,484	3,748,738	3,982,930
Mozingo Golf	1,403,071	1,488,283	1,700,723	1,565,417	1,688,031	1,665,136	2,036,812	2,013,424	2,089,024
Total business-type activities expenses	5,321,029	5,444,720	6,439,326	6,154,966	5,691,358	5,967,462	6,036,615	6,710,791	7,209,164
Total primary government expenses	10,580,877	10,737,879	14,906,815	11,831,572	11,718,320	12,877,281	13,525,241	13,883,521	14,575,312
Program revenue:									
Governmental activities:									
Charges for services:									
General government	407,891	360,634	378,750	393,894	358,886	386,139	396,289	565,200	467,611
Public safety	332,253	323,747	428,524	467,129	421,022	452,724	414,684	441,091	418,709
Public works	83,220	378,846	380,241	379,215	364,685	358,689	363,338	368,052	392,281
Park and recreation	390,396	404,394	457,769	479,106	480,262	467,269	541,611	918,550	585,590
Operating grants and contributions	23,991	21,744	58,585	19,901	123,740	32,270	152,545	154,075	112,576
Capital grants and contributions	141,607	401,399	1,257,633	503,111	1,828,000	1,002,892	606,339	1,440,742	133,298
Total governmental activities program revenue	1,379,358	1,890,764	2,961,502	2,242,356	3,576,595	2,699,983	2,474,806	3,887,710	2,110,065

City of Maryville, Missouri

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

	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Business-type activities:									
Charges for services:									
Solid Waste	623,749	596,615	577,177	570,900	1,212,335	977,333	660,291	831,060	1,046,054
Water/sewer utility	2,474,560	2,521,234	2,680,582	3,363,600	3,205,186	3,167,192	3,513,702	3,675,318	4,468,878
Mozingo Recreation	665,428	801,118	850,088	937,881	877,950	940,089	860,217	872,540	1,007,647
Operating grants and contributions:									
Solid Waste	---	---	---	---	---	---	---	---	---
Water/sewer utility	---	---	---	---	---	---	---	---	---
Mozingo Recreation	---	---	---	---	---	25,249	39,325	---	---
Capital grants and contributions:									
Solid Waste	---	---	---	---	---	---	---	---	---
Water/sewer utility	84,086	---	---	18,000	240,684	92,904	---	208,912	42,218
Mozingo Recreation	600	17,400	---	---	---	182,552	2,282	72,648	91,351
Total business-type activities									
program revenue	3,848,423	3,936,367	4,107,847	4,890,381	5,536,155	5,385,319	5,075,817	5,660,478	6,656,148
Total primary government									
program revenue	5,227,781	5,827,131	7,069,349	7,132,737	9,112,750	8,085,302	7,550,623	9,548,188	8,766,213
Net (expense) revenue:									
Governmental activities	(3,880,490)	(3,402,395)	(5,505,987)	(3,434,250)	(2,450,367)	(4,209,836)	(5,013,820)	(3,285,020)	(5,256,083)
Business-type activities	(1,472,606)	(1,508,353)	(2,331,479)	(1,284,585)	(155,203)	(582,143)	(960,798)	(1,050,313)	(553,016)
Total primary government net expense	(5,353,096)	(4,910,748)	(7,837,466)	(4,698,835)	(2,605,570)	(4,791,979)	(5,974,618)	(4,335,333)	(5,809,099)

City of Maryville, Missouri

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

	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	983,898	1,013,246	1,018,854
Sales taxes	1,951,600	2,020,830	1,893,726	2,057,902	2,132,592	2,799,785	2,850,396	3,025,166	3,206,400
Franchise taxes	584,126	636,872	650,309	679,430	889,928	904,949	936,294	1,007,703	1,030,452
Other taxes	641,612	315,753	309,075	325,880	293,981	290,489	285,817	293,098	301,019
PILOT & EATS - TIF	---	---	22,878	44,159	146,223	149,852	156,181	161,532	170,706
Interest	19,452	33,964	108,329	111,956	76,987	23,387	18,255	14,281	8,245
Other	72,135	41,122	88,705	136,087	82,254	114,720	181,031	75,039	109,022
Transfers	---	---	1,454	8,133	11,614	(47,190)	16,894	18,274	22,366
Special item	---	---	---	---	---	---	---	---	(66,431)
Total governmental activities	4,167,929	3,954,838	3,980,203	4,269,318	4,605,106	5,259,326	5,428,766	5,608,339	5,800,633
Business-type activities:									
Sales taxes	785,954	813,804	763,251	828,882	859,241	821,465	827,357	879,203	932,995
Interest	56,947	121,955	199,662	232,183	147,648	51,873	43,382	29,235	17,377
Gain on sale of fixed assets	---	---	---	---	---	---	---	---	25,267
Other	---	---	---	---	13,700	---	---	780,981	20,929
Transfers	---	---	(1,454)	(8,133)	(11,614)	47,190	(16,894)	(18,274)	(22,366)
Special item	---	---	---	---	---	---	---	---	(163,072)
Total business-type activities	842,901	935,759	961,459	1,052,932	1,008,975	920,528	853,845	1,671,145	811,130
Total primary government	5,010,830	4,890,597	4,941,662	5,322,250	5,614,081	6,179,854	6,282,611	7,279,484	6,611,763
Changes in net assets:									
Governmental activities									
Governmental activities	287,439	552,443	(1,525,784)	835,068	2,154,739	1,049,490	414,946	2,323,319	544,550
Business-type activities	(629,705)	(572,594)	(1,370,020)	(211,653)	853,772	338,385	(106,953)	620,832	258,114
Total primary government	\$ (342,266)	\$ (20,151)	\$ (2,895,804)	\$ 623,415	\$ 3,008,511	\$ 1,387,875	\$ 307,993	\$ 2,944,151	\$ 802,664

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City of Maryville, Missouri

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

	Fiscal Year				
	2003	2004	2005	2006	2007
General Fund:					
Nonspendable	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Restricted					
Committed	---	---	---	---	---
Assigned	---	---	---	---	---
Unassigned	---	---	---	---	---
Reserved	6,481	5,311	6,343	6,099	6,394
Unreserved	929,436	802,246	805,614	1,000,232	1,399,965
Total General Fund	<u>\$ 935,917</u>	<u>\$ 807,557</u>	<u>\$ 811,957</u>	<u>\$ 1,006,331</u>	<u>\$ 1,406,359</u>
All other governmental funds:					
Restricted	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Committed	---	---	---	---	---
Unassigned	---	---	---	---	---
Reserved	300,377	334,893	379,107	801,036	736,423
Unreserved reported in:					
Special revenue funds	156,658	108,639	130,866	119,272	198,144
Capital project funds	---	---	---	---	---
Debt service fund	---	---	---	---	---
Total all other governmental funds	<u>\$ 457,035</u>	<u>\$ 443,532</u>	<u>\$ 509,973</u>	<u>\$ 920,308</u>	<u>\$ 934,567</u>

GASB Statement No. 54 Implemented in Fiscal Year 2011

2008	2009	2010	2011	2012
\$ ---	\$ ---	\$ ---	\$ ---	\$ 6,666
			3,310	0
			78,631	0
				0
			1,883,103	35,870
5,619	3,919	3,690		
1,477,003	1,781,122	1,855,250		
<u>\$ 1,482,622</u>	<u>\$ 1,785,041</u>	<u>\$ 1,858,940</u>	<u>\$ 1,965,044</u>	<u>\$ 42,536</u>

\$ ---	\$ ---	\$ ---	\$ 2,201,022	\$ 2,701,817
1,986,835	2,023,029	1,646,795		
375,518	440,342	502,987		
<u>\$ 2,362,353</u>	<u>\$ 2,463,371</u>	<u>\$ 2,149,782</u>	<u>\$ 2,201,022</u>	<u>\$ 2,701,817</u>

City of Maryville, Missouri

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

	Fiscal Year				
	2003	2004	2005	2006	2007
Revenues:					
Taxes	\$ 4,023,129	\$ 4,076,342	\$ 4,186,637	\$ 4,081,154	\$ 4,326,783
Licenses and permits	50,838	68,608	60,334	76,213	61,749
Intergovernmental revenues	377,414	495,511	748,958	1,663,823	894,818
Charges for services	278,433	416,607	424,186	469,413	493,271
Fines and forfeitures	337,868	329,451	322,290	428,524	463,305
Interest	26,440	19,452	33,964	108,329	111,956
Other	77,900	98,189	69,233	112,795	151,660
Total Revenues	5,172,022	5,504,160	5,845,602	6,940,251	6,503,542
Expenditures:					
General government	805,979	866,455	831,887	966,842	990,900
Public safety	1,561,109	1,527,487	1,847,270	1,789,493	1,737,083
Public works	1,389,132	1,337,271	1,133,297	2,406,142	1,686,581
Park and recreation	796,152	943,459	918,751	1,026,116	1,075,373
Economic development	11,000	71,000	---	---	---
Capital outlay	1,093,115	644,013	623,696	2,014,998	20,765
Debt service:					
Principal retirement	232,269	289,926	315,429	330,036	304,102
Bond issuance costs	---	---	---	30,743	---
Interest and fiscal charges	173,147	170,021	163,633	281,454	282,584
Total expenditures	6,061,903	5,849,632	5,833,963	8,845,824	6,097,388
Excess of revenues over (under) expenditures	(889,881)	(345,472)	11,639	(1,905,573)	406,154
Other financing sources (uses):					
Transfers in	551,946	647,404	622,845	5,092	28,465
Transfers out	(536,946)	(647,404)	(622,845)	(3,638)	(20,332)
Bond discount	---	---	---	(71,172)	---
Bond premium	---	---	---	---	---
Payment to refunded bond escrow agent	---	---	---	---	---
Issuance of long-term debt	230,196	203,609	59,202	2,580,000	---
Total other financing sources (uses)	245,196	203,609	59,202	2,510,282	8,133
Net changes in fund balance	(644,685)	(141,863)	70,841	604,709	414,287
Fund balances - Beginning	3,040,767	1,392,952	1,251,089	1,321,930	1,926,639
Residual equity transfer out	(1,003,130)	---	---	---	---
Fund balances - Ending	\$ 1,392,952	\$ 1,251,089	\$ 1,321,930	\$ 1,926,639	\$ 2,340,926
Debt service as a percentage of noncapital expenditures					
	*	9.50%	9.67%	7.91%	10.98%

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

2008	2009	2010	2011	2012
\$ 4,732,082	\$ 5,461,205	\$ 5,509,955	\$ 5,794,679	\$ 6,029,752
73,573	72,647	69,577	83,153	96,015
2,095,926	1,312,175	1,221,644	1,840,908	636,912
491,354	479,018	554,038	625,179	634,216
417,626	448,312	412,474	412,964	377,954
76,987	23,387	18,255	14,281	8,244
98,859	164,070	223,662	161,259	563,230
<u>7,986,407</u>	<u>7,960,814</u>	<u>8,009,605</u>	<u>8,932,423</u>	<u>8,346,323</u>
861,449	1,198,202	1,037,182	984,469	1,006,846
2,011,583	2,056,542	2,205,200	2,034,663	2,121,685
2,976,300	1,957,843	1,613,443	2,306,486	1,658,433
994,128	1,054,628	1,122,491	1,310,634	1,343,647
---	---	---	---	---
795,391	2,595,297	1,559,124	1,297,896	512,327
285,060	290,993	343,468	481,397	501,031
36,181	101,190	---	---	---
273,357	340,932	394,051	377,808	358,782
<u>8,233,449</u>	<u>9,595,627</u>	<u>8,274,959</u>	<u>8,793,353</u>	<u>7,502,751</u>
<u>(247,042)</u>	<u>(1,634,813)</u>	<u>(265,354)</u>	<u>139,070</u>	<u>843,572</u>
340,707	142,466	184,793	252,934	150,646
(329,093)	(148,786)	(159,129)	(234,660)	(128,280)
---	---	---	---	---
9,477	141,439	---	---	---
---	(2,373,758)	---	---	---
1,730,000	4,276,889	---	---	---
<u>1,751,091</u>	<u>2,038,250</u>	<u>25,664</u>	<u>18,274</u>	<u>22,366</u>
1,504,049	403,437	(239,690)	157,344	865,938
2,340,926	3,844,975	4,248,412	4,008,722	4,166,066
---	---	---	---	---
<u>\$ 3,844,975</u>	<u>\$ 4,248,412</u>	<u>\$ 4,008,722</u>	<u>\$ 4,166,066</u>	<u>\$ 5,032,004</u>
10.34%	11.10%	10.37%	12.80%	12.64%

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
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
2010	983,898	2,850,396	936,294	351,505	387,862	5,509,955
2011	1,013,246	3,025,166	1,007,703	346,888	401,676	5,794,679
2012	1,018,854	3,206,400	1,030,452	355,734	418,310	6,029,750
Change 2003-2012	14.76%	76.11%	74.54%	-11.25%	29.31%	49.88%

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

City of Maryville, Missouri

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities:									
General government	\$ 407,891	\$ 360,634	\$ 378,750	\$ 393,894	\$ 358,886	\$ 386,139	\$ 396,289	\$ 565,200	\$ 467,611
Public safety	362,390	458,374	487,109	477,481	431,381	465,412	629,806	563,891	445,742
Public works	218,681	667,362	1,637,874	891,875	2,301,796	1,381,163	907,100	1,840,069	606,885
Park and recreation	390,396	404,394	457,769	479,106	484,532	467,269	541,611	918,550	589,827
Total governmental activities	1,379,358	1,890,764	2,961,502	2,242,356	3,576,595	2,699,983	2,474,806	3,887,710	2,110,065
Business-type activities:									
Solid Waste	623,749	596,615	577,177	570,900	1,212,335	977,333	660,291	831,060	1,046,054
Water/sewer utility	2,558,646	2,521,234	2,680,582	3,381,600	3,445,870	3,260,096	3,513,702	3,884,230	4,511,096
Mozingo Golf	666,028	818,518	850,088	937,881	877,950	1,147,890	901,824	945,188	1,098,998
Total business-type activities	3,848,423	3,936,367	4,107,847	4,890,381	5,536,155	5,385,319	5,075,817	5,660,478	6,656,148
Total primary government	\$ 5,227,781	\$ 5,827,131	\$ 7,069,349	\$ 7,132,737	\$ 9,112,750	\$ 8,085,302	\$ 7,550,623	\$ 9,548,188	\$ 8,766,213

GASB Statement No. 34 Implemented in Fiscal Year 2004

City of Maryville, Missouri

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

Industry	FY 2012		FY 2008	
	Rank	Percentage of Total City Sales Tax Revenues	Rank	Percentage of Total City Sales Tax Revenues
General Merchandise Store	1	31.04%		
Food Stores	2	12.57%		
Eating & Drinking Places	3	11.74%		
Building materials, Hardware, Garden Supply, etc	4	9.26%		
Electric, Gas & Sanitary Services	5	6.52%		
Motor Vehicle Account	6	5.58%		
Miscellaneous Retail	7	3.96%		
Communication	8	3.09%		
Automotive Dealers and Gasoline Services	9	1.81%		
Wholesale Sales - Nondurable Goods	10	1.40%		
Total Percentage of Sales Tax Revenue		<u>86.97%</u>		
Department Stores			1	32.49%
Eating & Drinking Places			2	21.56%
Lumber & Other Building Materials			3	11.42%
Telephone Communication			4	7.16%
Retail Stores not Elsewhere Classified			5	4.69%
Miscellaneous Shopping Goods			6	3.13%
Miscellaneous Business Services			7	2.73%
Auto & Home Supply Stores			8	2.51%
Automotive Repair Shops			9	2.02%
Services not Elsewhere Classified			10	1.93%
Total Percentage of Sales Tax Revenue				<u>89.64%</u>

Source: Missouri Department of Revenue

Note: Information for FY 2008 is the earliest available data.

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
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%
2010	2.250%	1.000%	0.500%	4.225%	7.975%
2011	2.250%	1.000%	0.500%	4.225%	7.975%
2012	2.250%	1.000%	0.500%	4.225%	7.975%

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
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
2010	60,301,700	27,529,020	38,160	2,465,690	31,849,110	122,183,680
2011	63,267,080	27,832,050	33,950	2,950,130	31,862,020	125,945,230
2012	63,828,660	28,332,300	33,430	2,633,924	28,848,970	123,677,284

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
\$	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%
	506,839,694	0.7492	24.11%
	524,923,836	0.7491	23.99%
	520,399,318	0.7677	23.77%

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	
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
2010	0.3298	0.3000	0.1194	0.7492	4.9195	0.1490	0.4768	0.0000	0.1600	0.1800	6.6345
2011	0.3297	0.3000	0.1194	0.7491	4.9336	0.1490	0.4768	0.0000	0.1600	0.1800	6.6485
2012	0.3383	0.3000	0.1294	0.7677	4.9758	0.1529	0.4847	0.0000	0.1400	0.1800	6.7011

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

Source: Nodaway County Clerk

City of Maryville, Missouri

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

Taxpayer	2012			2008		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Energizer Battery Mfg	\$ 2,515,160	1	2.03%	\$ 2,515,160	2	2.07%
Wal-Mart	2,494,180	2	2.02%	2,607,450	1	2.15%
Maryvee, Maryvee II & Maryvee III-LLC	1,529,250	3	1.24%			
Moog Automotive Co.	971,140	4	0.79%	971,140	3	0.80%
Deluxe Mfg	742,160	5	0.60%	642,950	6	0.53%
Nucor-LMP Inc.	714,650	6	0.58%	714,650	5	59.00%
Inland Realty	602,580	7	0.49%	602,580	7	0.50%
Krzyzostaniok, Dorothy	572,320	8	0.46%	564,140	8	0.46%
Snyder & Snyder, LLC	500,900	9	0.41%	460,050	10	0.38%
Horizons West Apt	414,550	10	0.34%			
Barrington Assoc Inc.				784,600	4	0.65%
Boney Corporation				494,920	9	0.41%

Source: Nodaway County Assessor

Note: Information for 2008 is the latest available data.

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
2003	\$ 814,886	\$ 799,232	98.08%	\$ 15,222	\$ 814,454	99.95%
2004	832,652	812,190	97.54%	18,338	830,528	99.74%
2005	835,901	820,161	98.12%	15,740	835,901	100.00%
2006	845,260	826,470	97.78%	15,993	842,463	99.67%
2007	835,354	820,980	98.28%	13,885	834,865	99.94%
2008	911,686	876,702	96.16%	16,594	893,296	97.98%
2009	951,165	923,151	97.05%	13,202	936,353	98.44%
2010	915,400	894,832	97.75%	10,442	905,274	98.89%
2011	943,456	920,197	97.53%	13,068	933,265	98.92%
2012	949,471	925,679	97.49%	---	925,679	97.49%

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
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
2010	4,145,000	32,428	2,440,000	---	1,540,000
2011	3,980,000	6,031	2,380,000	---	1,310,000
2012	3,795,000	---	2,310,000	---	1,070,000

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
\$ 6,365,000	\$ 118,815	\$ 344,444	\$ 154,635	\$ 10,774,636	4.97%	\$ 1,018
5,960,000	344,500	262,938	143,613	10,416,476	4.39%	984
5,535,000	767,438	177,140	131,911	10,060,687	4.25%	951
5,090,000	522,753	86,872	119,488	11,518,275	4.87%	1,089
4,630,000	349,453	---	106,299	10,480,812	4.09%	991
4,150,000	715,415	---	92,296	11,797,711	4.28%	1,115
3,170,000	1,264,094	---	77,429	13,012,419	4.65%	1,230
2,860,000	992,575	---	61,645	12,071,648	3.88%	1,008
2,550,000	785,265	2,795,000	44,888	13,851,184	4.27%	1,157
2,220,000	2,239,314	2,695,000	27,097	14,356,411	*	1,199

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
2003	\$ 3,510,000	\$ 288,865	\$ 3,221,135	0.74%	\$ 332
2004	3,340,000	323,400	3,016,600	0.68%	316
2005	3,165,000	367,421	2,797,579	0.63%	299
2006	2,975,000	381,689	2,593,311	0.56%	281
2007	2,770,000	385,303	2,384,697	0.52%	262
2008	2,565,000	418,153	2,146,847	0.43%	242
2009	4,220,000	404,480	3,815,520	0.74%	399
2010	4,145,000	502,355	3,642,645	0.72%	346
2011	3,980,000	530,056	3,449,944	0.66%	332
2012	3,795,000	0	3,795,000	0.73%	317

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, 2012 (Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Amount Applicable to City
Debt repaid with property taxes:			
Maryville School District	\$ 11,615,000	65.65%	\$ 7,625,248
City direct debt			3,795,000
Total direct and overlapping debt			\$ 11,420,248

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>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Debt limit	\$ 21,165,870	\$ 21,621,721	\$ 21,745,597	\$ 22,489,297	\$ 22,519,311
Total net debt applicable to limit	<u>3,221,135</u>	<u>3,016,600</u>	<u>2,797,579</u>	<u>2,593,311</u>	<u>2,384,697</u>
Legal debt margin	<u>\$ 17,944,735</u>	<u>\$ 18,605,121</u>	<u>\$ 18,948,018</u>	<u>\$ 19,895,986</u>	<u>\$ 20,134,614</u>
Total net debt applicable to the limit as a percentage of debt limit	17.95%	16.21%	14.76%	13.03%	11.84%

Legal Debt Margin Calculation for Fiscal Year 2012

Assessed value	<u>\$ 123,677,284</u>
Debt limit (20% of assessed value)	<u>\$ 24,735,457</u>
City Debt applicable to debt limit:	
General obligation bonds	3,795,000
Less-amount available in debt service fund	<u>0</u>
Total net debt applicable to limit	<u>3,795,000</u>
Legal debt margin	<u>\$ 20,940,457</u>

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 24,311,620	\$ 25,249,934	\$ 24,436,736	\$ 25,189,046	\$ 24,735,457
<u>2,146,847</u>	<u>3,815,520</u>	<u>3,642,645</u>	<u>3,449,944</u>	<u>3,795,000</u>
<u>\$ 22,164,773</u>	<u>\$ 21,434,414</u>	<u>\$ 20,794,091</u>	<u>\$ 21,739,102</u>	<u>\$ 20,940,457</u>
9.69%	17.80%	17.52%	15.87%	18.12%

City of Maryville, Missouri

Pledged-Revenue Coverage Last Ten Fiscal Years (Unaudited)

Water and Sewer System Bonds							
Fiscal Year	Operating Revenue (1)	Operating Expenses (2)	Net Revenues Available for Debt Service	Debt Service		Total Debt Payments	Coverage
				Principal	Interest		
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
2010	3,550,405	1,839,555	1,710,850	310,000	102,789	412,789	4.14
2011	3,701,221	2,259,413	1,441,808	310,000	92,263	402,263	3.58
2012	4,484,593	2,295,261	2,189,332	330,000	83,600	413,600	5.29

(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)
2003	10,581	\$ 216,709,461	\$ 20,481	23	1,276	3.48%
2004	10,581	237,532,869	22,449	23	1,284	3.62%
2005	10,581	236,993,238	22,398	23	1,299	3.75%
2006	10,581	236,739,294	22,374	23	1,337	3.37%
2007	10,581	256,113,105	24,205	23	1,371	3.65%
2008	10,581	275,952,480	26,080	23	1,304	3.98%
2009	10,581	279,994,422	26,462	23	1,348	5.98%
2010	11,972	311,403,692	26,011	23	1,334	6.75%
2011	11,972	324,608,808	27,114	23	1,339	6.93%
2012	11,972	*	*	23	1,348	5.92%

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

* Information unavailable

City of Maryville, Missouri

Principal Employers Current Year and Nine Years Ago (Unaudited)

Employer	2012			2003		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Kawasaki Motors Mfg. Corp	750	1	6.78%	440	3	3.73%
Northwest Missouri State University	740	2	6.69%	603	2	5.10%
Energizer	515	3	4.66%	648	1	5.49%
St. Francis Hospital & Health Services	499	4	4.51%	370	4	3.13%
Kelly Services	350	5	3.16%			
Wal-Mart Superstore	290	6	2.62%	180	9	1.52%
Hy-Vee Food Store	280	7	2.53%	150	10	1.27%
Maryville R-II School District	250	8	2.26%	230	5	1.95%
Maryville Treatment Center	240	9	2.17%	201	8	1.70%
DELUXE	230	10	2.08%	230	6	1.95%
Federal Mogul				220	7	1.86%

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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
Administration	4	4	4	5	5	4	5	4	4	5
Finance	5.5	4.5	4.5	4.5	5	5	6	6	6	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	3.5	2.5	2.5	3	3	2	2	2	2	2
Public Safety Officers	23	22	22	22	21	20	19	19	18	19
Lake Patrol	0.5	1.5	1	2	1.5	1.5	1.5	1	1	0.5
Dispatch	6.5	5.5	6	6.5	6.5	6.5	6	5.5	5.5	5
Firefighters	4	4	3	3	2	2	2	2	2	2
Volunteer Firefighters	15	14	15	18	14	13	13	15	16	15
Public Works										
Administration	3	3	3	2.5	3	2.5	2	1	2	2
Code Enforcement	4	3	3	2	2	2	2	2	2	2
Street Maintenance/Central Garage	13	13.5	10.5	11	10	8	9	9	9	9
Airport	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
GIS	0	0	0.5	1	1	1	1	1	1	1
Parks & Recreation										
Administration	4	4	4	3	3	3	3	3	3	3
Recreation	54	64.5	66	73	66	67	18.5	22.5	22.5	20
Park Maintenance	9	8.5	8	9	10	12.5	5.5	5.5	5.5	6
Solid Waste	3	3	3.5	3	3	3	3	3	3	3
Water/Sewer	12.5	14.5	16	12	6	6	6	6	5	6.5
Mozingo Recreation										
Golf Clubhouse	9.5	11	10.5	11.5	11.5	9.5	8	7	5.5	7
Golf Maintenance	14	11.5	14	15.5	11	13.5	9	8.5	7.5	8
Park Maintenance	8.5	10	10	11.5	9.5	10	6.5	6.5	7.5	8.5
Total	199.5	207.5	210	222	197	195	131	132.5	131	133.5

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	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public Safety:										
Arrests	885	874	1,156	1,152	1,054	1,095	888	1,041	856	794
Parking violations	*	*	560	605	768	719	648	644	570	529
Traffic violations	*	523	1,005	1,254	1,239	970	969	916	688	1,285
Vehicle accidents	*	98	323	298	321	330	321	270	313	280
Total calls answered	8,294	8,308	9,955	11,239	11,786	11,131	12,054	8,764	7,999	7,613
Fire:										
Total calls answered	91	65	170	195	309	171	322	313	237	331
Public Works:										
Commercial building permits	13	24	17	13	13	5	15	10	15	16
Residential building permits	107	97	76	95	96	74	56	50	54	57
Water:										
Number of service connections	3,824	3,812	3,843	3,857	3,864	3,931	3,892	3,897	4,003	4,074
Daily average consumption in gallons	1.7 mgd	1.7 mgd	1.6 mgd	1.7 mgd	1.8 mgd	1.8 mgd				
Water Pollution Control:										
Daily average flow in gallons	1.6 mgd	1.8 mgd	1.8 mgd							

Source: City records

* Information unavailable

City of Maryville, Missouri

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

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public Safety Stations	1	1	1	1	1	1	1	1	1	1
Public Works:										
Area of city (square miles)	5.80	5.80	5.80	5.86	5.86	5.86	5.86	6.12	6.12	6.13
Miles of streets	61.00	61.50	61.50	62.11	62.11	62.11	62.11	74.45	76.98	80.06
Number of streets	112	113	113	114	114	114	114	128	129	130
Miles of sidewalks	32	32	34	34	34	34	34	34	34	34
Number of street lights	810	810	810	816	816	816	816	816	816	816
Miles of storm sewers	18	18	18	18	18	18	18	18	18	18
Parks & Recreation:										
Parks	10	10	10	10	10	10	10	10	10	10
Acreage	110	110	110	110	110	110	110	110	110	110
Tennis courts	4	4	4	4	4	4	4	4	4	4
Baseball/softball diamonds	8	8	8	8	8	8	8	8	8	8
Community center	1	1	1	1	1	1	1	1	1	1
Aquatic center	1	1	1	1	1	1	1	1	1	1
Water:										
Miles of water mains	74	74	74	76	76	76	76	74	74	74
Number of fire hydrants	495	495	496	497	498	498	498	485	478	485
Maximum daily capacity in gallons	5.0 mgd									
Water Pollution Control:										
Miles of sanitary sewer	63	63	63	63	63	63	63	63	63	63
Maximum daily capacity in gallons	1.7 mlg									

Source: City records

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