PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 26, 2024

NEW ISSUE Book-Entry Only S&P RATING: "A" See "RATING" herein

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

\$2,625,000* CITY OF PLEASANT HILL, MISSOURI COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS SERIES 2024

Dated: Date of Issuance

Due: December 1, as shown on the inside cover page

The Combined Waterworks and Sewerage System Revenue Bonds, Series 2024 (the "Bonds"), will be issued by the City of Pleasant Hill, Missouri (the "City"), for the purpose of providing funds to (1) pay costs of extending and improving the City's combined waterworks and sewerage system, and (2) pay costs of issuing the Bonds as further described herein under section captioned "PLAN OF FINANCING" in this Official Statement.

The Bonds will be issued as fully registered bonds and will be registered in the name of Cede & Co., as Bondowner (defined herein) and nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. The Bonds will be available for purchase in denominations of \$5,000 or any integral multiple thereof, under the book-entry system maintained by DTC. So long as DTC or its nominee Cede & Co., is the Bondowner, DTC will receive all payments with respect to the Bonds from UMB Bank, N.A., Kansas City, Missouri, as paying agent for the Bonds. DTC is required to remit such payments to DTC's Direct Participants (defined herein) for subsequent disbursement to the beneficial owners of the Bonds. Semiannual interest on the Bonds will be payable on June 1 and December 1, beginning on June 1, 2025. Principal of the Bonds will be paid on December 1 in the years in which the Bonds mature (see the inside cover page of this Official Statement).

The Bonds are special obligations of the City, payable solely from the net income and revenues derived by the City from the operation of its combined waterworks and sewerage system, after payment of costs of operation and maintenance. The Bonds stand on a parity with the City's outstanding Series 2015A Bonds and Series 2023 Bonds (hereinafter defined). The Bonds do not constitute a general obligation of the City and do not constitute an indebtedness of the City within the meaning of any constitutional or statutory provision, limitation or restriction, and the taxing power of the City is not pledged to the payment of the Bonds or the interest thereon. See the section captioned "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" in this Official Statement.

See inside cover for maturities, principal amounts, interest rates, yields and CUSIP numbers.

The Bonds are subject to optional redemption prior to maturity. See the section captioned "THE BONDS - Redemption Provisions" in this Official Statement.

THE BONDS ARE SUBJECT TO CERTAIN RISKS. See the section captioned "BONDOWNERS' RISKS" in this Official Statement.

The Bonds are offered when, as and if issued by the City, subject to the approval of legality by Gilmore & Bell, P.C., Kansas City, Missouri, as Bond Counsel to the City. It is expected that the Bonds will be available for delivery in book-entry form through DTC, New York, New York on or about December 19, 2024.

Bids for the Bonds will be received electronically through PARITY electronic bid submission system until 10:30 A.M., Central Time, on Monday, December 9, 2024.

^{*} Preliminary, subject to change.

\$2,625,000* CITY OF PLEASANT HILL, MISSOURI COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS SERIES 2024

MATURITY SCHEDULE*

Serial Bonds

Maturity December 1	Principal Amount*	Interest <u>Rate</u>	<u>Yield</u>	CUSIP(1)
2026	\$40,000	1440	11014	<u> </u>
2027	45,000			
2028	45,000			
2029	50,000			
2030	50,000			
2031	55,000			
2032	55,000			
2033	55,000			
2034	55,000			
2035	60,000			
2036	60,000			
2037	60,000			
2038	65,000			
2039	60,000			
2040	65,000			
2041	70,000			
2042	70,000			
2043	70,000			
2044	240,000			
2045	250,000			
2046	260,000			
2047	270,000			
2048	280,000			
2049	295,000			

CUSIP Numbers have been assigned to this issue by CUSIP Global Services managed on behalf of the American Bankers Association by FactSet Research Systems Inc., and are included solely for the convenience of the Bondowners. Neither the District nor the Underwriter shall be responsible for the selection or correctness of the CUSIP numbers set forth above.

^{*} Preliminary, subject to change.

CITY OF PLEASANT HILL, MISSOURI

203 Paul Street Pleasant Hill, Missouri 64080

Mayor

John King

City Council Members

Auggie Augspurg, Councilman Precinct 20 Pat Niner, Councilwoman Precinct 21 Michelle Newberry, Councilwoman Precinct 22 Jackie Ralston-Emo, Councilwoman-at-Large

City Administration

Shelby Teufel, City Administrator
Nicole Wilson, Assistant City Administrator
Amy Johnson, Finance Manager
Jodie Wasson, City Clerk

BOND COUNSEL

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

MUNICIPAL ADVISOR



PAYING AGENT

UMB Bank, N.A. Kansas City, Missouri

REGARDING USE OF THIS OFFICIAL STATEMENT

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

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

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

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

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

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

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

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

TABLE OF CONTENTS

	<u>Page</u>	<u>Page</u>
INTRODUCTION	1	Investment Dating and Cooperdam Market 11
Purpose of the Official Statement		Investment Rating and Secondary Market11 Defeasance Risks11
The City and the System		Factors Affecting the Business Operations of the
The Bonds		City12
Security and Source of Payment		LEGAL MATTERS 12
Bondowners' Risks		Legal Proceedings
Bond Rating		Approval of Legality
Financial Statements.		TAX MATTERS
Summary of the Bond Ordinance		Opinion of Bond Counsel
Continuing Disclosure		CONTINUING DISCLOSURE
PLAN OF FINANCING		RATING
Authorization and Purpose of the Bonds		Bond Rating
Project Improvements		MISCELLANEOUS
Sources and Uses of Funds		Underwriting
THE BONDS		Municipal Advisor16
General Description		Certification and Other Matters Regarding
Redemption Provisions		Official Statement
Registration, Transfer and Exchange of Bon		Additional Information17
110g.su.wiigi, 11unstra und 2nonung et 2 en		1.1
CUSIP Numbers	-	APPENDIX A: Information Concerning the City and
Book-Entry Only System		the System
SECURITY AND SOURCES OF PAYMEN		•
FOR THE BONDS		APPENDIX B: City of Pleasant Hill, Missouri
Special Limited Obligations		Audited Financial Statements of the City for the
Parity Bonds	7	Fiscal Year Ended March 31, 2024
The Bond Ordinance		APPENDIX C: Summary of the Bond Ordinance
BONDOWNERS' RISKS	9	111 1 21 12 111 et aummung et une Benie et unione
General	9	APPENDIX D: Form of Continuing Disclosure
Limited Obligations	9	Undertaking
Additional Bonds	.10	ADDENDAME DO LES COLO
No Mortgage on the System	.10	APPENDIX E: Book-Entry Only System
Completion and Construction Risks	.10	APPENDIX F: Form of Opinion of Bond Counsel
Enforcement of Remedies		AT LIVERY 1 of the of Opinion of Dona Counsel
Amendment of the Bond Ordinance		
Loss of Premium from Prepayment		
Risk of IRS Audit	.10	

Taxability11

BOND ISSUE SUMMARY

This Bond Issue Summary is expressly qualified by the entire Official Statement, which is provided for the convenience of potential investors and which should be reviewed in their entirety by potential investors.

Issuer: City of Pleasant Hill, Missouri.

Issue: \$2,625,000* Combined Waterworks and Sewerage System Revenue Bonds, Series 2024.

Dated Date: Date of Issuance.

Interest Payment Dates: June 1 and December 1, commencing June 1, 2025.

Principal Due: On December 1 in the years set forth on the inside cover page of this Official Statement.

Redemption: At the option of the City, the Bonds or portions thereof maturing on December 1, 2030, and after

may be called for redemption and payment prior to the Stated Maturity thereof on December 1, 2029, and any date thereafter in whole or in part at any time in such amounts for each Stated Maturity as shall be determined by the City at the Redemption Price of 100% of the principal

amount thereof, plus accrued interest thereon to the Redemption Date.

Authorization: The Bonds are authorized pursuant to and in full compliance with the Constitution and statutes

of the State of Missouri, including Chapter 250 of the Revised Statutes of Missouri, as amended, an election held in the City on April 2, 2024, and an ordinance passed by the City Council of the

City.

Security: The Bonds are special limited obligations of the City payable from the net income and revenues

derived by the City from the operation of its combined waterworks and sewerage system after payment of costs of operation and maintenance. The Bonds do not constitute a general obligation of the City and do not constitute an indebtedness of the City within the meaning of any constitutional or statutory provision, limitation or restriction, and the taxing power of the City is not pledged to the payment of the Bonds or the interest thereon. See the section captioned "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" in this Official

Statement.

Bond Ratings: S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, has assigned

the Bonds the rating shown on the cover page. See also the caption "RATING" herein.

Purpose: Proceeds of the Bonds will be used to (1) extend and improve the City's combined waterworks

and sewerage system, and (2) pay the costs of issuing the Bonds. See the section captioned

"PLAN OF FINANCING" in this Official Statement.

Tax Exemption: Gilmore & Bell, P.C., as Bond Counsel to the City, will provide an opinion as to the tax

exemption of the interest on the Bonds as discussed under the section captioned "TAX

MATTERS" in this Official Statement.

Bank-Qualification: The Bonds have not been designated as "qualified tax-exempt obligations" within the meaning

of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Book-Entry Form: The Bonds will be registered in the name of Cede & Co. as nominee for The Depository Trust

iv

Company ("DTC"), New York, New York. DTC will act as securities depository of the Bonds.

-

^{*} Preliminary, subject to change.

OFFICIAL STATEMENT

\$2,625,000* CITY OF PLEASANT HILL, MISSOURI COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS SERIES 2024

INTRODUCTION

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

Purpose of the Official Statement

The purpose of this Official Statement is to furnish information relating to (1) the City of Pleasant Hill, Missouri (the "City") and (2) the City's Combined Waterworks and Sewerage System Revenue Bonds, Series 2024 (the "Bonds"), to be issued in the aggregate principal amount of \$2,625,000*, the proceeds of which will be used to (a) pay costs of extending and improving the City's System (defined herein); and (b) pay costs of issuing the Bonds.

The City and the System

The City is a special charter city and political subdivision organized and existing under the laws of the State of Missouri. The City is located in northeastern Cass County, Missouri, approximately 35 miles southeast of Kansas City, Missouri. As of July 1, 2023, the U.S. Census Bureau estimated City's population at 8,715. The City owns and operates a revenue-producing combined waterworks and sewerage system serving the City and its inhabitants (the "System"), which consists of a waterworks portion and a sewerage system portion. For more information about the City and the System, see *Appendix A* to this Official Statement.

The Bonds

The proceeds received from the sale of the Bonds will be used to (a) pay costs of extending and improving the City's System (referred to herein as the "**Project**") and (b) pay the costs of issuing the Bonds.

The Bonds being issued for the Project were approved by the voters of the City at an election duly held in the City on April 2, 2024 (the "2024 Election"), at which the required majority of the qualified voters of the City voting on the question voted in favor of the City's issuance of combined waterworks and sewerage system revenue bonds in the principal amount of \$10,000,000 for the purposes of extending and improving the City's System. The City has not issued any of the combined waterworks and sewerage system revenue bonds authorized by voters at the 2024 Election, and the issuance of the Bonds will utilize \$2,625,000* of the total \$10,000,000 principal amount of combined waterworks and sewerage system revenue bonds approved by voters at the 2024 Election. After the issuance of the Bonds, the City will have the authority to issue the remaining \$7,375,000* of combined waterworks and sewerage system revenue bonds authorized by the voters at the 2024 Election.

The Bonds are being issued pursuant to an ordinance expected to be passed by the City Council of the City on December 9, 2024 (the "Bond Ordinance"). See the sections captioned "THE BONDS" and "PLAN OF FINANCING" herein. See also "Appendix C – SUMMARY OF BOND ORDINANCE" attached to this Official Statement for a summary of the Bond Ordinance, including definitions of certain words and terms used

_

^{*} Preliminary, subject to change.

herein and in the Bond Ordinance. All capitalized terms used herein and not otherwise defined herein have the meanings assigned to those terms in the Bond Ordinance.

Security and Source of Payment

The Bonds are special limited obligations of the City payable solely from the net income and revenues derived from the ownership and operation of the System (as further described and defined in *Appendix C* to this Official Statement, the "Revenues") after paying the costs of operation and maintenance of the System (as further described and defined in *Appendix C* to this Official Statement, the "Expenses"). The Revenues of the System less the Expenses of the System is defined herein and in the Bond Ordinance as the "Net Revenues," as more fully described in "SUMMARY OF BOND ORDINANCE" attached hereto as *Appendix C*. The taxing power of the City is not pledged to the payment of the Bonds or the interest thereon. The Bondowners have no lien on or security interest in any of the physical assets of the City, including the System.

In addition to the \$2,625,000 aggregate principal amount of the Bonds being issued, the City has outstanding the following series of System Revenue Bonds standing on a parity and equality with the Bonds with respect to the payment of principal and interest from the Net Revenues of the System:

- (i) Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2015A, issued on December 9, 2015, issued in the original principal amount of \$3,445,000 (the "Series 2015A Bonds"), and currently outstanding in the aggregate principal amount of \$410,000; and
- (ii) Combined Waterworks and Sewerage System Revenue Bonds, Series 2023, issued on June 28, 2023, in the original principal amount of \$2,000,000 (the "Series 2023 Bonds") and currently outstanding in the aggregate principal amount of \$2,000,000.

The Series 2015A Bonds and the Series 2023 Bonds are collectively referred to herein as the **"Previously Issued Parity Bonds."** The Bonds will be issued on a parity with the Previously Issued Parity Bonds with respect to the Net Revenues of the System.

The City has the right under the Bond Ordinance to issue additional System Revenue Bonds on a parity with the Bonds and the Previously Issued Parity Bonds payable from the same sources and secured by the same Net Revenues as the Bonds and the Previously Issued Parity Bonds, but only in accordance with and subject to the terms and conditions set forth in the Bond Ordinance (as more fully described in *Appendix C* attached hereto). The Previously Issued Parity Bonds and any additional System Revenue Bonds subsequently issued by the City on a parity with the Bonds in accordance with and subject to the terms and conditions set forth in the Bond Ordinance are collectively referred to as the "Parity Bonds." See also the section captioned "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" in this Official Statement.

Bondowners' Risks

Payment of the principal of and interest on the Bonds is dependent on the City generating sufficient Net Revenues from the operation of the System. Certain risks inherent in the production of such Net Revenues are discussed in this Official Statement. See also the section captioned "BONDOWNERS' RISKS" herein. For more information about the System, see the sections captioned "HISTORY AND OPERATION OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM," "DEBT STRUCTURE OF THE SYSTEM" and "FINANCIAL INFORMATION CONCERNING THE SYSTEM" in *Appendix A* attached to this Official Statement.

Bond Rating

S&P Global Ratings, a business unit of Standard & Poor's Financial Services, LLC ("S&P"), has assigned the Bonds the rating on the cover page of this Official Statement. See the section captioned "RATING" herein. Such rating reflects only the views of S&P, and an explanation of the significance of such rating may be

obtained therefrom. There is no assurance that the rating will remain in effect for any given period of time or that the rating will not be revised, either downward or upward, or withdrawn entirely, by S&P if, in its judgment, circumstances warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

Financial Statements

Audited financial statements of the City, as of and for the fiscal year ended March 31, 2024, are included in *Appendix B* to this Official Statement. These financial statements have been audited by CliftonLarsonAllen LLP, Kansas City, Missouri, certified public accountants, to the extent and for the period indicated in their report which is also included in *Appendix B*.

Summary of the Bond Ordinance

A summary of the Bond Ordinance, including definitions of certain words and terms used herein and in the Bond Ordinance, is included in *Appendix C* to this Official Statement. Such summary and definitions do not purport to be comprehensive or definitive. All references herein to the Bond Ordinance are qualified in their entirety by reference to the Bond Ordinance. Copies of the Bond Ordinance and this Official Statement may be viewed at the office of McLiney And Company, a division of SAMCO Capital Markets, Inc., as municipal advisor to the City (the "Municipal Advisor"), or will be provided to any prospective purchaser requesting the same, upon payment by such prospective purchaser of the cost of complying with such request.

Continuing Disclosure

The City has agreed to provide certain annual financial information and notices of certain enumerated events relating to the Bonds to the Municipal Securities Rulemaking Board via the Electronic Municipal Market Access system ("EMMA"), in accordance with Rule 15c2-12 promulgated by the Securities and Exchange Commission. See the section captioned "CONTINUING DISCLOSURE" herein and the "FORM OF CONTINUING DISCLOSURE UNDERTAKING" attached as *Appendix D* to this Official Statement.

PLAN OF FINANCING

Authorization and Purpose of the Bonds

The Bonds are being issued pursuant to and in full compliance with the Constitution and statutes of the State of Missouri and Chapter 250 of the Revised Statutes of Missouri, as amended (collectively, the "Act"), the 2024 Election held in the City, and the Bond Ordinance. Proceeds received by the City from the sale of the Bonds will be used (a) to pay the costs of the Project, and (b) to pay costs of issuing the Bonds.

At the 2024 Election, the qualified voters of the City voting on the combined waterworks and sewerage system revenue bond question approved by 73.7% (810 voting "yes" to 288 voting "no") the question authorizing the City to issue combined waterworks and sewerage system revenue bonds in the amount of \$10,000,000 for the purpose of paying costs of extending and improving the combined waterworks and sewerage system of the City, including acquiring land and rights of way. The Bonds in the principal amount of \$2,625,000* will constitute the first installment of the total \$10,000,000 of combined waterworks and sewerage system revenue bonds approved at the 2024 Election. After the issuance of the Bonds, the City will have the authority to issue the remaining \$7,375,000* of combined waterworks and sewerage system revenue bonds authorized by the voters at the 2024 Election. Currently, the City anticipates it will issue the remaining \$7,375,000* of said combined waterworks and sewerage system revenue bonds over the next five years.

-

^{*} Preliminary, subject to change.

Project Improvements

The City will deposit a portion of the proceeds of the Bonds into the Project Fund established under the Bond Ordinance and such funds will be used by the City solely to pay costs of the Project and the remaining portion of the proceeds of the Bonds will be used to pay the costs related to issuance of the Bonds. The City anticipates that the Project will include replacement and rehabilitation projects throughout the System, including upgrading pump stations, rehabilitating a water tower and replacing waterlines.

Sources and Uses of Funds

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

Sources of Funds:

Principal amount of the Bonds Original issue premium/discount Total \$2,625,000.00*

Uses of Funds:

Deposit to Project Fund Costs of Issuance⁽¹⁾ Total

THE BONDS

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

General Description

The Bonds are being issued in the aggregate principal amount of \$2,625,000*. The Bonds are dated as of the date of original delivery of and payment for such Bonds and the principal is payable on December 1 in the years and in the principal amounts set forth on the inside cover page of this Official Statement, subject to redemption and payment prior to maturity upon the terms and conditions described under the caption "Redemption Provisions" herein. Interest on the Bonds is calculated at the rates per annum set forth on the inside cover page of this Official Statement, computed on the basis of a 360-day year of twelve 30-day months. The Bonds shall consist of fully registered bonds without coupons in denominations of \$5,000 or any integral multiple thereof. Interest on the Bonds is payable from the date thereof or the most recent date to which said interest has been paid and is payable semiannually on June 1 and December 1 (each an "Interest Payment Date"), beginning June 1, 2025.

The interest payable on each Bond on any Interest Payment Date will be paid to the person in whose name such Bond is registered (the "Registered Owner" or "Owner") as shown on the registration books (the "Bond Register") at the close of business on the 15th day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date (the "Record Date") for such interest (1) by check or draft mailed by UMB Bank, N.A., Kansas City, Missouri, as paying agent for the Bonds (the "Paying Agent"), to

-4-

.

⁽¹⁾ Includes Underwriter's discount.

^{*} Preliminary, subject to change.

such Registered Owner at the address shown on the Bond Register or (2) by electronic transfer to such Registered Owner upon written notice signed by such Registered Owner and given to the Paying Agent not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the name and address of the bank, the bank's ABA routing number and account number to which such Registered Owner wishes to have such transfer directed and an acknowledgment that an electronic transfer fee may be applicable.

The principal or Redemption Price (as defined herein) of each Bond will be paid by check, electronic transfer or draft to the Registered Owner at the Maturity thereof, upon presentation and surrender of such Bond at the payment office of the Paying Agent, or such other office designated by the Paying Agent.

While the Bonds remain in book-entry only form, payments to Beneficial Owners (as defined herein) are governed by the rules of DTC as described in "Appendix E - BOOK-ENTRY ONLY SYSTEM" to this Official Statement. If DTC ceases to act as securities depository for the Bonds, payment may be made as described in the Bond Ordinance.

Redemption Provisions

Optional Redemption. At the option of the City, the Bonds or portions thereof maturing on December 1, 2030, and thereafter may be called for redemption and payment prior to the Stated Maturity thereof on December 1, 2029, and thereafter in whole or in part at any time in such amounts for each Stated Maturity as shall be determined by the City at the Redemption Price of 100% of the principal amount thereof, plus accrued interest thereon to the Redemption Date.

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

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

Notice of Call for Redemption. Unless waived by any Registered Owner of Bonds to be redeemed, official notice of any redemption shall be given by the Paying Agent on behalf of the City by mailing a copy of an official redemption notice by first class mail at least 20 days prior to the Redemption Date to each Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register.

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

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

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

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

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

Registration, Transfer and Exchange of Bonds

The City will cause the Bond Register to be kept at the payment office of the Paying Agent or such other office designated by the Paying Agent for the registration, transfer and exchange of the Bonds as provided in the Bond Ordinance. Upon surrender of any Bond at the payment office of the Paying Agent, or at such other office designated by the Paying Agent, the Paying Agent shall transfer or exchange such Bond as provided in the Bond Ordinance.

The Paying Agent shall transfer or exchange such Bond for a new Bond or Bonds in any authorized denomination of the same Stated Maturity and in the same aggregate or principal amount as the Bond that was presented for transfer or exchange. Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Paying Agent, duly executed by the Registered Owner thereof or by the Registered Owner's duly authorized agent. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Paying Agent, are the responsibility of the Registered Owners of the Bonds. If any Registered Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Registered Owner sufficient to pay any governmental charge required to be paid as a result of such failure. The City and the Paying Agent shall not be required (1) to register the transfer or exchange of any Bond after notice calling such bond or portion thereof for redemption has been mailed by the Paying Agent in accordance with the Bond Ordinance and during the period of 15 days next preceding the date of mailing of such notice of redemption, or (2) to register the transfer or exchange of any Bond during a period beginning at the opening of business on the day after receiving written notice from the City of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest pursuant to the Bond Ordinance.

CUSIP Numbers

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bonds, nor any error in the printing of such numbers shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and payment for any Bonds.

Book-Entry Only System

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

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Special Limited Obligations

The Bonds are special obligations of the City payable solely from and secured as to the payment of principal and interest by a pledge of the Net Revenues of the System.

THE BONDS WILL NOT BE OR CONSTITUTE A GENERAL OBLIGATION OF THE CITY, NOR WILL THEY CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER PROVISION, LIMITATION OR RESTRICTION, AND THE TAXING POWER OF THE CITY IS NOT PLEDGED TO THE PAYMENT OF THE BONDS EITHER AS TO PRINCIPAL OR INTEREST. THE BONDOWNERS HAVE NO LIEN ON OR SECURITY INTEREST IN ANY OF THE PHYSICAL ASSETS OF THE SYSTEM OR THE CITY.

Parity Bonds

The Bonds will stand on a parity with the Previously Issued Parity Bonds, consisting of the City's (a) Series 2015A Bonds currently outstanding in the principal amount of \$410,000 and (b) Series 2023 Bonds currently outstanding in the principal amount of \$2,000,000. See also the section captioned "DEBT STRUCTURE OF THE SYSTEM" in *Appendix A* to this Official Statement.

In addition, the City has the right under the Bond Ordinance to issue additional System Revenue Bonds on parity with the Bonds payable from the same sources and secured by the same Net Revenues of the System as the Bonds, but only in accordance with and subject to the terms and conditions set forth in the Bond Ordinance. See the section captioned "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - The Bond Ordinance - *Parity Obligations*" below.

The Bond Ordinance

Any capitalized terms not otherwise defined herein or defined in "Appendix C: SUMMARY OF THE BOND ORDINANCE" hereto are defined in the Bond Ordinance. The below summary of the Bond Ordinance does not purport to be complete and is qualified in its entirety by reference thereto.

Pledge of Net Revenues. The Bonds will be special obligations of the City payable solely from, and secured as to the payment of principal and interest by a pledge of, the Net Revenues of the System, and the City has pledged the Net Revenues of the System to the payment of the principal of and interest on the Bonds.

The covenants and agreements of the City contained in the Bond Ordinance and in the Bonds will be for the equal benefit, protection and security of the legal owners of any or all of the Bonds, all of which Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the funds pledged to the payment of the principal of and the interest on the Bonds, or otherwise, except as to rate

of interest, date of maturity and right of prior redemption as provided in the Bond Ordinance. The Bonds will stand on a parity and be equally and ratably secured with respect to the payment of principal and interest from the Net Revenues and in all other respects with the Previously Issued Parity Bonds and any additional Parity Bonds issued by the City in the future. The Bonds will not have any priority with respect to the payment of principal or interest from the Net Revenues or otherwise over any Parity Bonds and the Parity Bonds shall not have any priority with respect to the payment of principal or interest from the Net Revenues or otherwise over the Bonds.

Rate Covenant. The City, in accordance with and subject to all applicable legal requirements, will fix, establish, maintain and collect such rates and charges for the use and services furnished by or through the System as will produce Revenues sufficient to (a) pay the Expenses of the System; (b) pay the principal of and interest on the Bonds as and when the same become due; and (c) provide reasonable and adequate reserves for the payment of the Bonds and the interest thereon and for the protection and benefit of the System, all as required in the Bond Ordinance. In the Bond Ordinance, the City has further agreed that such rates and charges will be sufficient to enable the City to have in each fiscal year Net Revenues not less than 110% of the Debt Service Requirements for such fiscal year. The City will require the prompt payment of accounts for service rendered by or through the System and will promptly take whatever action is legally permissible to enforce and collect delinquent charges. The City will, from time to time as often as necessary, in accordance with and subject to applicable legal requirements, revise the rates and charges aforesaid in such manner as may be necessary or proper so that the Net Revenues will be sufficient to cover the obligations of the City as described in this paragraph, and otherwise under the provisions of the Bond Ordinance. See also the section captioned "BONDOWNERS' RISKS" herein.

Parity Obligations. The City has the right under the Bond Ordinance to issue additional bonds on a parity with the Bonds and the Previously Issued Parity Bonds, payable from the same sources and secured by the same Net Revenues as the Bonds, but only in accordance with and subject to the terms and conditions set forth in the Bond Ordinance. The City will not issue any additional bonds or other long-term obligations payable out of the Net Revenues or any part thereof which stand on a parity or equality with the Bonds ("Parity Bonds") unless the following conditions are met:

(a) The City is not in default in the payment of principal of or interest on any Bonds or any Parity Bonds at the time outstanding or in making any payment at the time required to be made into the respective funds and accounts created by and referred to in the Bond Ordinance or any Parity Ordinance for Parity Bonds at the time outstanding (unless such additional revenue bonds or obligations are being issued to provide funds to cure such default); and

(b) One of the following:

(1) The City shall certify that the average annual Net Revenues as set forth in the two most recent annual audits for the fiscal years preceding the issuance of additional bonds is equal to at least 110% of the average annual Debt Service Requirements to be paid out of Net Revenues in all fiscal years succeeding the issuance of such additional bonds on account of both principal (at maturity or upon mandatory redemption) and interest becoming due with respect to all System Revenue Bonds of the City, including the additional bonds proposed to be issued. In determining the Net Revenues for the purpose of this paragraph of the Ordinance, the City may adjust said Net Revenues by adding thereto, in the event the City shall have made any increase in rates for the use and services of the System and such increase shall not have been in effect during all of the two most recent audited fiscal years preceding the issuance of additional bonds, the amount of the additional Net Revenues which would have resulted from the operation of the System during said two most recent audited fiscal years had such rate increase been in effect for the entire period, as certified by an Accountant or Consultant; or

(2) The estimated average annual Net Revenues for the two fiscal years immediately following the fiscal year in which the improvements to the System, the cost of which is being financed by such additional bonds, are projected to be placed in commercial operation, as determined by a Consultant, is at least 110% of the average annual Debt Service Requirements to be paid out of said Net Revenues in all fiscal years following the fiscal year in which such improvements are projected to be placed in commercial operation on account of both principal (at maturity or upon mandatory redemption) and interest becoming due with respect to all System Revenue Bonds of the City, including the additional bonds proposed to be issued. In determining the amount of estimated Net Revenues for the purpose of this paragraph of the Ordinance, a Consultant may adjust said estimated Net Revenues by adding thereto any estimated increase in Net Revenues resulting from any increase in rates for the use and services of the System which have been approved by the City.

A summary of the Bond Ordinance is contained in *Appendix C* to this Official Statement. Such summary of the Bond Ordinance does not purport to be complete and is qualified in its entirety by reference thereto.

BONDOWNERS' RISKS

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

General

The Bonds are special obligations of the City, payable solely from, and secured as to the payment of principal and interest by a pledge of the Net Revenues of the System. The Bonds do not constitute a general obligation of the City and do not constitute an indebtedness of the City within the meaning of any constitutional, charter or statutory provision, limitation or restriction. The Bonds are not payable by and have no recourse to the power of taxation. The Bondowners have no lien on or security interest in any of the physical assets of the City, including the System.

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

Limited Obligations

The Bonds are limited obligations of the City and are payable solely from and secured by a pledge of the Net Revenues of the System. The City's actual collection of the Revenues of the System is dependent upon, among other things, future changes in economic and other conditions that are unpredictable and cannot be determined at this time. The Bonds are not general obligations of the City and do not constitute indebtedness of the City within the meaning of any constitutional, statutory, or charter provision, limitation, or restriction.

THE BONDS ARE NOT PAYABLE BY AND HAVE NO RECOURSE TO THE CITY'S POWERS OF TAXATION, AND THE BONDOWNERS HAVE NO LIEN ON OR SECURITY INTEREST IN ANY OF THE PHYSICAL ASSETS OF THE SYSTEM OR THE CITY.

Additional Bonds

Under the Bond Ordinance, the City may issue additional System Revenue Bonds in certain circumstances. Any additional System Revenue Bonds may be secured on a parity basis with the Bonds if certain tests are met, or may be junior and subordinate to the Bonds. The issuance of such additional System Revenue Bonds may have a dilutive effect on the debt service coverage ratio for the owners of the Bonds. See the discussion of additional System Revenue Bonds and the conditions on which they may be issued under the sections captioned "Parity Bonds" and "Junior Lien Bonds" in *Appendix C* attached to this Official Statement.

No Mortgage on the System

Payment of the principal of and interest on the Bonds is <u>not</u> secured by any deed of trust, mortgage, or other lien on any real or personal property. The Bonds are payable solely from Net Revenues derived from the City's operation of the System.

Completion and Construction Risks

There can be no assurance that the actual costs of the Project will not exceed the funds available from the proceeds of the Bonds. Change orders and other contingencies generally involved in the construction of any facilities, such as weather conditions, labor conditions and difficulties in obtaining materials, may also cause the actual cost of completion to exceed available funds. Delays in construction of the Project could adversely affect the operation of the System and the City's ability to collect revenues derived from the operation of the System.

Enforcement of Remedies

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

Amendment of the Bond Ordinance

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

Loss of Premium from Prepayment

Any person who purchases a Bond at a price in excess of its principal amount or who holds such Bond trading at a price in excess of par should consider the fact that the Bonds are subject to redemption prior to maturity at the redemption prices described herein in the event such Bonds are redeemed prior to maturity. See the section captioned "THE BONDS – Redemption Provisions" herein.

Risk of IRS Audit

The Internal Revenue Service has established an ongoing program to audit tax-exempt obligations to determine the legitimacy of the tax status of such obligations. No assurance can be given that the Internal Revenue Service will not commence an audit of the Bonds. Owners of the Bonds are advised that, if an audit of the Bonds

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

Taxability

The Bonds are not subject to redemption nor is the interest rate subject to adjustment in the event of a determination by the Internal Revenue Service or a court of competent jurisdiction that the interest paid or to be paid on any Bond is or was includible in the gross income of the owners of the Bonds for federal income tax purposes.

Investment Rating and Secondary Market

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

Defeasance Risks

When any or all of the Bonds or the interest payments thereon have been paid and discharged, then the requirements contained in the Bond Ordinance and the pledge of revenues made thereunder and all other rights granted thereby shall terminate with respect to the Bonds so paid and discharged. Bonds or the interest payments thereon shall be deemed to have been paid and discharged within the meaning of the Bond Ordinance if there has been deposited with the Paying Agent, or other commercial bank or trust company authorized to do business in the State of Missouri and having full trust powers, at or prior to the stated maturity or redemption date of said Bonds, in trust for and irrevocably appropriated thereto, money and Defeasance Obligations which, together with the interest to be earned thereon, will be sufficient for the payment of the principal or redemption price of said Bonds, and interest to accrue on such Bonds to the stated maturity or redemption date, as the case may be, or if default in such payment shall have occurred on such date, then to the date of the tender of such. Any money and Defeasance Obligations that at any time shall be deposited with the Paying Agent or other commercial bank or trust company by or on behalf of the City, for the purpose of paying and discharging any of the Bonds or the interest payments thereon, shall be assigned, transferred and set over to the Paying Agent or other bank or trust company in trust for the respective Registered Owners of the Bonds, and such moneys shall be irrevocably appropriated to the payment and discharge thereof. Defeasance Obligations include, in addition to cash and obligations pre-refunded with cash, bonds, notes, certificates of indebtedness, treasury bills and other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America. Historically, such United States obligations have been rated in the highest rating category by the rating agencies. There is no legal requirement in the Bond Ordinance that Defeasance Obligations consisting of such United States obligations be or remain rated in the highest rating category by any rating agency. Prices of municipal securities in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and that could include the rating of Bonds defeased with Defeasance Obligations to the extent the Defeasance Obligations have a change or downgrade in rating.

Factors Affecting the Business Operations of the City

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

- 1. Changes in Management. Changes in key management personnel could affect the capability of management of the City.
- 2. Future Economic Conditions. Increased unemployment or other adverse economic conditions or changes in demographics in the service area of the City; cost and availability of energy; an inability to control expenses in periods of inflation and difficulties in increasing charges. The City could encounter difficulties in providing water service to residents of the City upon acceptable financial terms which could affect the financial performance of the City.
- 3. *Insurance Claims*. Increases in the cost of general liability insurance coverage and the amounts paid in settlement of liability claims not covered by insurance.
- 4. Environmental Regulation. Water and sewer utilities are subject to continuing environmental regulation. Federal, state and local standards and procedures which regulate the environmental impact of water and sewer utilities are subject to change. These changes may arise from continuing legislative, regulator and judicial action regarding such standards and procedures. Consequently, there is no assurance that facilities in operation will remain subject to the regulations currently in effect, will always be in compliance with further regulations or will always be able to obtain all required operating permits. An inability to comply with environmental standards could result in reduced operating levels or the complete shutdown of facilities not in compliance. Legislative, regulatory, administrative or enforcement action involving environmental controls that could adversely affect the operation of the facilities of the City. For example, if property of the City is determined to be contaminated by hazardous materials, the City could be liable for significant clean-up costs even if it were not responsible for the contamination.
- 5. *Natural Disasters*. The occurrence of natural disasters, such as floods or droughts, could damage the facilities of the System, affect water supply, interrupt services or otherwise impair operations and the ability of the System to produce revenues.
- 6. Availability of Raw Water. The City's main sources of raw water supply is the City of Kansas City, Missouri Water Services Department and the Tri County Water Authority. In the event the City is unable to obtain sufficient water to meet its needs or other emergency conditions occur, there is no assurance that the City will be able to maintain a source of water. Failure to provide water to customers could adversely affect the City's ability to pay debt service on the Bonds.
- 7. Miscellaneous Factors. Water and sewer utilities in general have experienced, or may in the future experience, problems including (a) the effects of inflation upon the costs of operation of facilities, (b) uncertainties in predicting future demand requirements, (c) increased financing requirements coupled with the increased cost and uncertain availability of capital, and (d) compliance with rapidly changing environmental regulations and requirements.

LEGAL MATTERS

Legal Proceedings

As of the date hereof, there is no controversy, suit or other proceeding of any kind pending or threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way the legal organization of the City or its boundaries, or the right or title of any of its officers to their respective offices,

or the legality of any official act in connection with the authorization, issuance and sale of the Bonds, or the constitutionality or validity of the Bonds or any of the proceedings had in relation to the authorization, issuance or sale thereof, or the imposition and collection of rates and charges to pay the principal and interest thereof, or which might affect the City's ability to meet its obligations to pay the Bonds.

Approval of Legality

All legal matters incident to the authorization and issuance of the Bonds are subject to the approval of Gilmore & Bell, P.C., Kansas City, Missouri, as Bond Counsel to the City ("Bond Counsel"). The form of Bond Counsel's opinion is attached as *Appendix F* to this Official Statement

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transactions opined upon or of the future performance of parties to such transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX MATTERS

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

Opinion of Bond Counsel

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

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

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

Bank Qualification. The Bonds have <u>not</u> been designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Bond Counsel's opinions are provided as of the date of the original issue of the Bonds, subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The City has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal and State of

Missouri income tax purposes retroactive to the date of issuance of the Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Bonds, but has reviewed the discussion under the section captioned "TAX MATTERS."

Other Tax Consequences

Original Issue Discount. For federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a Bond over its issue price. The stated redemption price at maturity of a Bond is the sum of all payments on the Bond other than "qualified stated interest" (i.e., interest unconditionally payable at least annually at a single fixed rate). The issue price of a Bond is generally the first price at which a substantial amount of the Bonds of that maturity have been sold to the public. Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis. The amount of original issue discount that accrues to an owner of a Bond during any accrual period generally equals (1) the issue price of that Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that Bond during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner's tax basis in that Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount.

Original Issue Premium. For federal income tax purposes, premium is the excess of the issue price of a Bond over its stated redemption price at maturity. The stated redemption price at maturity of a Bond is the sum of all payments on the Bond other than "qualified stated interest" (i.e., interest unconditionally payable at least annually at a single fixed rate). The issue price of a Bond is generally the first price at which a substantial amount of the Bonds of that maturity have been sold to the public. Under Section 171 of the Code, premium on tax-exempt bonds amortizes over the term of the Bond using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Bond prior to its maturity. Even though the owner's basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.

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

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

Collateral Federal Income Tax Consequences. Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, certain applicable corporations subject to the corporate alternative minimum tax, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations

subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Bonds, including the possible application of state, local, foreign and other tax laws.

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

CONTINUING DISCLOSURE

Pursuant to a Continuing Disclosure Undertaking, the City has agreed to provide to the Municipal Securities Rulemaking Board (the "MSRB"), via the MSRB's Electronic Municipal Market Access system website ("EMMA"), not later than **December 31**st after the end of each fiscal year, beginning with the City's fiscal year ending March 31, 2025, (1) the audited financial statements of the City for that fiscal year and (2) certain operating data of the City (the "Annual Report"). The financial statements of the City are audited by the City's independent certified public accountants. The City has also agreed to provide prompt notice to the MSRB via the EMMA website of the occurrence of certain enumerated events with respect to the Bonds. See the "FORM OF CONTINUING DISCLOSURE UNDERTAKING" attached as *Appendix D* to this Official Statement.

The City has entered into prior undertakings under Rule 15c2-12 (the "Rule"). The City believes it has complied, in all material respects, during the past five years with its prior undertakings under the Rule, except as follows:

• The City did not timely file its audited financial statements or operating data for fiscal year ended March 31, 2023, on EMMA under its Combined Waterworks and Sewerage System Revenue Bonds, Series 2023.

RATING

Bond Rating

S&P has assigned the Bonds the rating set forth on the cover page of this Official Statement. Such rating reflects only the view of S&P at the time the rating is given, and neither the City nor the Underwriter make any representation as to the appropriateness of the rating, or that the rating will not be changed, suspended or withdrawn.

The City has furnished S&P with certain information and materials relating to the Bonds and the City that have not been included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions made by the rating agencies. There is no assurance that a particular rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the rating agency originally establishing such rating, circumstances so warrant. The Underwriter has not undertaken any responsibility to bring to the attention of the owners of the Bonds any proposed revision or withdrawal of the rating of the Bonds or to oppose any such proposed revision or withdrawal. Pursuant to the Continuing Disclosure Undertaking, the City is required to bring to the attention of the owners of the Bonds any proposed revision or withdrawal of the rating of the Bonds but has not undertaken any responsibility to oppose any such proposed revision or withdrawal. See "FORM OF CONTINUING DISCLOSURE UNDERTAKING" attached as *Appendix D* to this Official Statement.

Any such revision or withdrawal of the rating could have an adverse effect on the market price and marketability of the Bonds.

MISCELLANEOUS

Underwriting

Based upon bids received by the City on December 9, 2024, the Bonds were awar	rded to
[] (the "Underwriter"). The Underwriter has agreed, subject to certain conditions and the subject to certain conditions.	tions, to
purchase the Bonds from the City at a purchase price of \$[] (equal to the par amount of the	e Bonds
plus a [net] original issue premium of \$[], less an underwriting discount of \$[]]). The
Underwriter is purchasing the Bonds from the City for resale in the normal course of the Underwriter's b	ousiness
activities. The Underwriter may sell a certain amount of the Bonds at a price greater than such purchas	e price,
as shown on the inside cover hereof. The Underwriter reserves the right to offer any of the Bonds to one	or more
purchasers on such terms and conditions and at such price or prices as the Underwriter, in its discretic	n, shall
determine.	

Municipal Advisor

McLiney And Company, a division of SAMCO Capital Markets, Inc., Mission, Kansas (the "Municipal Advisor"), has acted as Municipal Advisor to the City in connection with the sale of the Bonds. The Municipal Advisor has assisted in various matters relating to the planning, structuring and issuance of the Bonds and various other debt related matters. The Municipal Advisor has not passed on the accuracy or completeness of the factual information contained in this Official Statement. The Municipal Advisor will not be a manager or a member of any purchasing group submitting a proposal for the purchase of the Bonds.

Certification and Other Matters Regarding Official Statement

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

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

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

Additional Information

Additional information regarding the City or the Bonds may be obtained from McLiney And Company, Attention: G. Joseph McLiney, 5201 Johnson Drive, Suite 415, Mission, Kansas 66205 (816-221-4042), or from the City, Attention: Shelby Teufel, City Administrator, 203 Paul Street, Pleasant Hill, Missouri 64080 (816-540-3135).

CITY OF PLEASANT HILL, MISSOURI	

By:	
	Mayor

THIS PAGE INTENTIONALLY

LEFT BLANK

APPENDIX A

CITY OF PLEASANT HILL, MISSOURI INFORMATION CONCERNING THE CITY AND THE SYSTEM

APPENDIX A

CITY OF PLEASANT HILL, MISSOURI

INFORMATION CONCERNING THE CITY AND THE SYSTEM

TABLE OF CONTENTS

GENERAL INFORMATION CONCERNING THE CITY	Page A-
GENERAL INFORMATION CONCERNING THE CITY	
Location and Size	
Risk Management	
<u>v</u>	
Services and Facilities	
Commerce, Industry and Employment	
Population, Income and Housing	
HISTORY AND OPERATION OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM	
Description of Existing Facilities of the System	
Customers and Operations of the System	
City Water Rates	
City Sewer Rates	
Procedures for Billings and Collections	
DEBT STRUCTURE OF THE SYSTEM	
Current Outstanding System Revenue Bonds of the System	
System Revenue Bonds Debt Service Requirements	
Authority to Issue Additional System Revenue Bonds	12
FINANCIAL INFORMATION CONCERNING THE SYSTEM	
Accounting, Budgeting and Auditing Procedures	
Summary of Revenues, Expenses and Changes in Fund Balances	
Historical Debt Service Coverage	14
FINANCIAL INFORMATION CONCERNING THE CITY	
Accounting, Budgeting and Auditing Procedures	15
Sources of Revenue for General Fund.	16
Summary of General Fund Receipts, Expenditures and Fund Balances	17
Sales Tax Collections	
Employee Retirement and Pension Plans	
Other Postemployment Benefits	
DEBT STRUCTURE OF THE CITY	
Overview	
Current Long-Term General Obligation Indebtedness	
History of General Obligation Indebtedness	
General Obligation Bond Debt Service Requirements	
Overlapping General Obligation Indebtedness	
Legal Debt Capacity	
Other Long-Term Obligations of the City	
No Prior Default	
PROPERTY TAX INFORMATION	
Property Valuations	
Property Tax Levies and Collections	
Tax Abatement and Tax Increment Financing	
Payment in Lieu of Taxes – PILOT Payments	
Tax Rates	26
Tax Collection Record	27

GENERAL INFORMATION CONCERNING THE CITY

Location and Size

The City of Pleasant Hill, Missouri (the "City"), is a special charter city and political subdivision organized and existing under the laws of the State of Missouri since 1859. The City, encompassing approximately eight square miles, is located on Missouri Highway 7 in Cass County, Missouri ("Cass County"), in the western portion of the State of Missouri, approximately 35 miles southeast of Kansas City, Missouri. A small portion of the City is located in Jackson County, Missouri ("Jackson County"). As of July 2023, the U.S. Census Bureau estimated the City's population at 8,715.

Government and Organization

The City is governed by a mayor-council-administrator form of government and exercises powers of municipal government specifically granted by the State of Missouri. The City is governed by a City Council composed of four members, one of whom is elected at large, and three of whom are elected by precinct, for staggered two-year terms without restriction as to reelection. The Mayor is elected at large for a two-year term without restriction as to reelection. The Mayor presides over meetings of the City Council, but does not vote, except in the case of a tie. The City Council establishes utility and tax rates and authorizes all municipal indebtedness.

The City Council appoints a City Administrator who acts as the chief administrative officer of the City and serves at the pleasure of the City Council. The City Administrator is responsible to the City Council for administration of City policy, preparation of the annual budget, appointment of City employees and supervision of the City's operating departments.

The City budget, prepared by the City Administrator after consultation with each department, is reviewed and adopted by the City Council. Tax rates are established by the City Council to support the budget adopted. As required by state law, the aggregate City budget may not include any expenditures in excess of anticipated revenues. The City's fiscal year begins on April 1st and ends on March 31st.

The present Mayor and City Council and terms of office are as follows:

		Current	Current
Name	Title	Term Began	Term Expires
John King	Mayor	April 2024	April 2026
Auggie Augspurg	Councilman Precinct 20	April 2023	April 2025
Pat Niner	Councilwoman Precinct 21	April 2023	April 2025
Michelle Newberry	Councilwoman Precinct 22	April 2024	April 2026
Jackie Ralston-Emo	Councilwoman-at-Large	April 2024	April 2026

The City Administrator is Shelby Teufel, who has served as City Administrator since July 7, 2018. Prior to being appointed the City Administrator, Ms. Teufel had previously served as the City's Assistant City Administrator/Finance Director. Ms. Teufel earned a Bachelor of Arts in Political Science degree from William Jewell College and a Masters of Public Administration degree from the University of Kansas. Prior to joining the City, Ms. Teufel worked for the cities of Olathe, Kansas and Liberty, Missouri.

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; workers' compensation; and natural disasters. The City has a member representative on MPR (formerly MARCIT), a nonprofit corporation consisting of governmental entities, incorporated in 1984 to acquire insurance for its members. MPR operates as a purchasing pool and is not a joint venture activity of the

City. The City has no control over budgeting, financing, management selection, or the governing body. MPR provides both conventional and self-insurance coverage for its members including medical, dental, property, casualty, general liability, and workers' compensation. The City participates in medical, dental, property, casualty, general liability, and workers' compensation insurance coverages. MPR manages the cash and investment pool, funded by insurance premiums, on behalf of its members. MPR's investment pool consists of interest-bearing deposits, U.S. Treasury STRIPS, U.S. governmental agency obligations, and collateralized mortgage obligations.

In the event that a deficit occurs with respect to any fiscal year of MPR for which the City was a participant at any time during the year; and in the event that MPR determines that an assessment is required in order to provide additional funds for the obligations of MPR for such year; and further, in the event that the City was covered by the types of benefits requiring the assessment during the time period in which the assessment arose, the City is obligated to pay its pro rata share of any such assessment. MPR was not in a deficit situation during the past year. MPR's financial statements are presented in its Comprehensive Annual Financial Report. There have been no significant reductions in insurance coverage from the prior year and no significant losses in the past three fiscal years.

Services and Facilities

Municipal Utilities and Services. The City provides public safety services including fire, ambulance and police protection, maintenance of streets and sanitary sewer services. The City Police Department is comprised of the Chief of Police, 13 full-time officers and 1 part-time officer.

The Pleasant Hill Fire Protection District was formed in 2007 and covers approximately 101 square miles in the northeast portion of Cass County. The District provides emergency medical services, fire protection, fire prevention and educational services to approximately 20,000 persons in Cass County.

The City's combined water system and sewerage system is more specifically described under the section captioned "HISTORY AND OPERATION OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM" in this *Appendix A*. Natural gas is supplied by Spire Energy and electricity is provided by Evergy.

The City oversees various parks and other recreational facilities, including fishing lakes, a recreation complex, swimming pool, community building and community garden. The City is the westernmost trailhead for the Rock Island Spur of the KATY Trail and is accessible for bicyclists and hikers.

Transportation and Communication Facilities. The City's close proximity to the metropolitan Kansas City area provides residents with a wide variety of transportation services, including water, air and rail transport. Lee's Summit Municipal Airport, located 23 miles away, has a 5,501-foot concrete runway and a 40,000 square foot heated hangar and a pilot lounge. For longer range air service, Kansas City International Airport is located 50 miles away.

Residents of the City have access to the area's major telephone service and internet service providers. The City, being part of the Kansas City metropolitan area, has access to all communication facilities of the area, including radio and television stations and cable television. The *Pleasant Hill Times* is a weekly newspaper published and circulated in the City.

Educational Institutions and Facilities. The Pleasant Hill R-III School District (the "School District") is comprised of three elementary schools, one middle school and one high school all located within the City limits and as of the 2022-2023 school year had an enrollment of 2,152 students. The Missouri Department of Elementary and Secondary Education ("DESE") administers the Missouri School Improvement Program, whereby school districts are evaluated in all areas of operation, including curriculum, facilities, teaching staff and administrative staff. The evaluation culminates with the placing of each district in one of three categories:

"accredited," "provisionally accredited" or "unaccredited." The School District has been awarded an "accredited" status. The classification is not a bond or debt rating, but solely an evaluation made by DESE.

The City's residents also have easy access to the Kansas City metropolitan area's fifteen colleges and universities, seven community colleges and numerous technical schools.

Medical and Health Facilities. Located 11 miles away in Harrisonville, Missouri, is the Cass Regional Medical Center, which also offers primary care at six family practice locations including the City. Another nearby healthcare resource is the Regional Medical Center in Belton, Missouri, a part of HCA Midwest Health network. In addition, residents also have access to several hospitals throughout the Kansas City Metropolitan Area which provide inpatient/outpatient facilities as well as a full range of diagnostic and therapeutic services.

ECONOMIC INFORMATION CONCERNING THE CITY

Commerce, Industry and Employment

Major Employers. Listed below are several major employers located in the City and the number employed by each:

City of Pleasant Hill, Missouri

Employer	Type of Business	Number of Employees
Pleasant Hill School District	Educational institution	248
Pleasant Hill Health & Rehab	Nursing home	101
Price Chopper	Retail	95
ICF Industries	Sheet metal fabrication	83
National Weather Service	Radar / forecasting center	50
City of Pleasant Hill	Municipal government	48
Pleasant Hill Bank	Financial institution	31
Dogwood Energy Power Plant	Wholesale electricity	25

Residents have additional employment opportunities within Cass County and the Kansas City Metropolitan Area. Listed below are several major employers located in Cass County and the number employed by each:

Cass County, Missouri

		Number of
Employer	Type of Business	Employees
Raymore-Peculiar School District	Public education	914
Wal-Mart Distribution Center	Distribution center	764
Belton School District	Public education	687
Quick 'n Tasty	Retail	600
Cass Medical Center	Healthcare	470
Belton Regional Medical Center	Healthcare	360
Cass R-IX Schools	Public education	303
ADESA	Auto auction	250

Source: Kansas City Area Development Council for the City and Cass County.

Employment Data. The following table sets forth the average unemployment figures for the last five years for Cass County and the State of Missouri.

_	2020	2021	2022	2023	2024 ⁽¹⁾
Cass County					
Average Total Labor Force	53,832	54,378	55,021	55,165	55,462
Average Unemployed	2,884	1,986	1,316	1,548	2,104
Average Unemployment Rate	5.4%	3.7%	2.4%	2.8%	3.8%
State of Missouri					
Average Total Labor Force	3,037,880	3,050,028	3,036,611	3,087,759	3,087,804
Average Unemployed	185,933	124,810	79,259	94,172	120,058
Average Unemployment Rate	6.1%	4.1%	2.6%	3.0%	3.9%

MERIC (Missouri Economic Research and Information Center).

Population, Income and Housing

Population. Listed below are historical population figures for the City as compared to Cass County and the State of Missouri:

_	1990	2000	2010	2020	2023
City of Pleasant Hill	3,827	5,517	8,113	8,777	8,715 ⁽¹⁾
Cass County	63,808	82,092	99,478	107,824	111,732
State of Missouri	5,117,073	5,595,211	5,988,927	6,154,913	6,196,156

U.S. Census Bureau, Quick Facts; Missouri Census Data Center.

Population by Age. The following table shows the population by age categories for the City, Cass County and the State of Missouri:

Age	City of Pleasant Hill	Cass County	State of Missouri
under 5 years	332	6,294	360,175
5-19 years	2,037	21,924	1,180,009
20-24 years	900	6,125	415,129
25-44 years	2,064	26,512	1,583,002
45-64 years	1,963	28,776	1,553,624
65 and over	<u>1,526</u>	<u>18,574</u>	1,062,483
TOTAL	8,822	108,205	6,154,422
Median Age	36.9	39.9	38.8

Missouri Census Data Center, American Community Survey, 5-year estimate (2018-2022). Source:

Average of January and February, the latest data available.

Source: (1) Estimate for the City as of July 2023.

Per Capita Personal Income. The following table presents per capita personal income⁽¹⁾ for Cass County and the State of Missouri for the years 2018 through 2022, the latest date for which information is available:

	Cass County Per Capita	State of Missouri Per Capita
Year	Personal Income	Personal Income
2022	\$55,712	\$57,818
2021	54,169	56,073
2020	51,424	52,095
2019	48,493	48,401
2018	46,131	46,680

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Per Capita Personal Income is the annual total personal income of residents divided by resident population as of July 1.
"Personal Income" is the sum of net earnings by place of residence, rental income of persons, personal dividend income, personal interest income, and transfer payments. "Net Earnings" is earnings by place of work — the sum of wage and salary disbursements (payrolls), other labor income, and proprietors' income — less personal contributions for social insurance, plus an adjustment to convert earnings by place of work to a place-of-residence basis. Personal Income is measured before the deduction of personal income taxes and other personal taxes and is reported in current dollars (no adjustment is made for price changes).

Median Household Income. The following table presents the estimated median household income for the City, Cass County and the State of Missouri:

	Median Household Income
City of Pleasant Hill	\$88,408
Cass County	82,473
State of Missouri	65,920

Source: Missouri Census Data Center, American Community Survey, 5-year estimates (2018-2022).

Housing. The estimated median value of owner-occupied housing units in the City, Cass County and the State of Missouri was as follows:

	Number of	
	Owner-	Median Home
	Occupied Units	Value
City of Pleasant Hill	2,408	\$227,000
Cass County	31,622	242,300
State of Missouri	1,661,854	199,400

Source: Missouri Census Data Center, American Community Survey, 5-year estimates (2018-2022).

[Remainder of this page intentionally left blank.]

HISTORY AND OPERATION OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM

Description of Existing Facilities of the System

The City operates a combined waterworks and sewerage system (the "System") and accounts for the operations of the System, as well as trash collections, in the City's Proprietary Fund. The two components of the System, the waterworks subsystem and the sewerage subsystem are described below. All customers located within the City's service area are required to connect to the City's System. The City also provides sewerage-only services to certain customers located outside of the City's service area who receive their water services from public water supply districts that border the City's boundaries.

Water System. The City's waterworks subsystem can store up to 2,750,000 gallons of water via an elevated 750,000-gallon tank and a 2,000,000 gallon ground storage tank. The water distribution system contains 58.54 miles of public mains supplying approximately 3,100 service connections.

Pursuant to a Water Purchase Agreement entered into in January 2005 (the "KCMO Water Agreement"), between the City of Kansas City, Missouri, as seller ("KCMO"), and the City, as buyer, the City purchases a portion of its water from the KCMO Water Services Department. A summary of the pertinent terms of the KCMO Water Agreement are included below (such summary does not purport to be comprehensive or definitive and references herein to the KCMO Water Agreement are qualified in their entirety by reference to the KCMO Water Agreement):

- Term: 30 years from the date of the KCMO Water Agreement (expires: January 2035)
- <u>Capacity:</u> KCMO agrees to sell the City a maximum of 2 million gallons per day
- Water Rate: Established by Chapter 78 of the Code of Ordinances of KCMO and may be amended from time to time by the City Council of KCMO (KCMO has agreed to provide the City with prior written notice of an increase or decrease of the water rate). Presently, the water rate consists of a service charge and a commodity charge. KCMO's current commodity charge for wholesale/restricted customers, such as the City, is approximately \$3.60 per 1000 gallons.
- <u>Billing Period:</u> KCMO bills the City for water use monthly.
- <u>Termination</u>: *KCMO's ability to terminate* If the City violates any covenant of the KCMO Water Agreement, and the City has not cured the violation within thirty (30) days of written notification from KCMO to the City of such violation, KCMO may terminate the KCMO Water Agreement upon sixty (60) days written notification to the City. KCMO may also terminate the KCMO Water Agreement after providing the City two (2) years written notification. *City's ability to terminate* The City may terminate certain portions of service provided by the KCMO Water Agreement (without terminating the entire KCMO Water Agreement) after one (1) year written notification to KCMO Water Services Department. The City may also terminate the entire KCMO Water Agreement after two (2) years written notification to KCMO.

The City also has a water purchase agreement with Tri County Water Authority which provides for a maximum purchase of 87,700 gallons per day.

Sewer System. The City's sewerage collection and pumping systems discharge to the Little Blue Valley Sewer District – Middle Big Creek Subdistrict. The sewerage system consists of 8 lift stations and serves a population of approximately 8,900. There are approximately 53 miles of sanitary sewer mains, including 53 miles of gravity sewer and 2.37 miles of force mains. Approximately 35% of the sewers are vitrified clay pipe and 65% are polyvinyl chloride pipe. Approximately 40% of the sewerage system is 50 years old or older and 60% is less than 50 years old.

Customers and Operations of the System

Number of Water and Sewer Customers. The System currently has 2,911 residential water customers and 220 commercial water customers. The System also currently has 3,363 residential sewer customers and 222 commercial sewer customers.

The average number of water customers for each of the last five fiscal years ended March 31, 2020, through March 31, 2024, was as follows:

	Fiscal Years Ended March 31				
_	2020	2021	2022	2023	2024
Average No. of Water Customers	2,996	3,026	3,067	3,095	3,135

Source: City.

The average number of sewer customers for each of the last five fiscal years ended March 31, 2020, through March 31, 2024, was as follows:

	Fiscal Years Ended March 31				
	2020	2021	2022	2023	2024
Average No. of Sewer Customers	3,336	3,366	3,442	3,518	3,558

Source: City.

In addition to the traditional residential and commercial customers of the City's waterworks system, the City also sells water to Public Water Supply District No. 1 of Cass County, Missouri ("PWSD #1 of Cass County") pursuant to a water sale/purchase agreement dated as of August 13, 1968, as amended (the "Water Sale/Purchase Contract"). The rate the City charges PWSD #1 of Cass County per thousand gallons of water purchased is subject to adjustment based on a rate schedule calculation formula described in the Water Sale/Purchase Contract.

[Remainder of this page intentionally left blank.]

Total Waterworks System and Sewerage System Usage and Collections. The total use of both the waterworks system and sewerage system (reflected in gallons per year) and the collections for both the waterworks system and sewerage system for the last five fiscal years ended March 31, 2020, through March 31, 2024, were as follows:

Fiscal Year Ended	Waterworks System Use	Waterworks System
March 31	(gallons per year)	Collections (per year)(\$)
2024	168,761,935	\$2,083,261
2023	160,772,851	1,750,437
2022	162,316,393	1,642,190
2021	160,703,636	1,661,140
2020	149,152,021	1,541,868

Fiscal Year Ended March 31	Sewerage System Use (gallons per year)	Sewerage System Collections (per year)(\$)
2024	131,925,835	\$2,413,281
2023	129,384,989	2,127,711
2022	129,449,802	1,826,284
2021	132,584,711	1,614,623
2020	127,275,467	1,540,436

Source: City.

Largest System Customers. Below is a list of the top ten largest customers of the System reflecting the total annual water usage in gallons, the percentage of total System use (in gallons), the revenue collections for water services and the revenue collections for sewerage services for each such customer for the fiscal year ended March 31, 2024, based on water usage:

	Total Annual Usage	% of Total System Use	Total Annual Water	Total Annual Sewer
<u>Customer</u>	(in Gallons)	(in Gallons)	Collections	Collections
PWSD #1 of Cass County	14,424,600	4.8%	\$91,101	
Hixson Lumber Sales of MO	6,889,700	2.3	56,295	\$56,295
Pleasant Hill R-III SD - Practice Fields	2,961,700	1.0	21,878	
NHS Management LLC	1,930,300	0.6	28,516	28,516
ICF Properties LLC	1,818,500	0.6	27,084	27,084
Sonic	1,469,410	0.5	23,126	23,126
Whistle Ready Mix	1,356,600	0.5	12,967	12,967
Pleasant Hill R-III SD – Primary School	804,500	0.3	13,780	13,780
Pleasant Hill Properties	782,700	0.3	12,996	12,996
Pleasant Hill R-III SD - High School	714,800	0.2	11,409	11,409

Source: City.

City Water Rates

The City establishes water rates annually as part of the budget process. On March 25, 2024, the City Council approved increased water rates, which became effective April 1, 2024. The rate increases were needed to offset the increase in costs the City will incur from the increased cost of water purchases from the KCMO Water Services Department under the KCMO Water Agreement, as well as to offset the deficit between revenues and expenditures, and includes an increase for payment of debt service on the City's System Revenue Bonds, including the Bonds.

The following table shows the City's current water rates, which became effective April 1, 2024:

<u>Water</u>	Current Rate
Base Rate	\$22.75
1,000 to 29,000 gallon rate	\$10.32
Over 30,000 gallon rate	\$7.18
Water District Rate (for PWSD #1 of Cass County)	\$6.56

Source: City.

City Sewer Rates

The City establishes sewer rates annually as part of the budget process. On March 25, 2024, the City Council approved increased sewer rates, which became effective April 1, 2024. The rate increases were needed to offset the increase in costs the City will incur from the issuance of debt from the Middle Big Creek Sewer Subdistrict, as well as to offset regular sewer department operating cost increases, and includes an increase for payment of debt service on the City's System Revenue Bonds, including the Bonds. The vacant sewer rates is a sewer connection charge on sewer connections that do not have active water service; charges are set at the current rate as charged by Middle Big Creek Subdistrict. The sewer rate increase is expected to generate approximately \$223,000 in additional revenue.

The following chart shows the City's current sewer rates, which became effective April 1, 2024:

Sewer	Current Rate
Residential Base Rate	\$30.35
Commercial & Industrial Base Rate	\$33.10
Flat Rate	\$71.10
1,000 gallon rate	\$8.24
Vacant Sewer Rate	\$49.00

Source: City.

Procedures for Billings and Collections

The City distributes water and sewer bills to customers on or before the 3rd day of each month and bills are due on or around the 20th day of that month. If a customer has not paid their bill by the 21st day of the month, the City will send out a notice to the customer notifying the customer of late payment and the amount owed by the customer (which includes (i) the amount originally billed plus (ii) a 5% late payment fee). If the bill and late payment fee are not paid by the 25th day of that month, water utility service is subject to disconnection without further notice. The customer can have their water supply reconnected after the customer has paid-in-full (i) the delinquent amount originally billed, (ii) the 5% late payment penalty and (iii) a \$55 administration fee for reconnecting the customer's water supply.

DEBT STRUCTURE OF THE SYSTEM

Current Outstanding System Revenue Bonds of the System

After the issuance of the Bonds (in the aggregate principal amount of \$2,625,000*), the Bonds and the City's Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2015A, and Combined Waterworks and Sewerage System Revenue Bonds, Series 2023, outstanding in the respective principal amounts reflected in the table below, will be the City's only series of System Revenue Bonds outstanding that will be payable from a pledge of the Net Revenues of the System:

System Revenue Bonds	Date of <u>Issuance</u>	Original Principal <u>Amount</u>	Principal Amount <u>Outstanding</u>
Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2015A (the "Series 2015A Bonds")	12/09/2015	\$3,445,000	\$410,000
Combined Waterworks and Sewerage System Revenue Bonds, Series 2023 (the "Series 2023 Bonds")	06/28/2023	\$2,000,000	\$2,000,000
Combined Waterworks and Sewerage System Revenue Bonds, Series 2024 (the "Bonds")	12/19/2024	\$2,625,000* TOTAL	\$2,625,000* \$5,035,000*

[Remainder of this page intentionally left blank.]

^{*} Preliminary, subject to change.

System Revenue Bonds Debt Service Requirements

The following table shows the annual principal and interest requirements for the City's outstanding System Revenue Bonds, including the Bonds being issued on December 19, 2024, payable from the Net Revenues of the System.

	Series 201	5A Bonds	Series 2	023 Bonds	Bonds being	<u>Offered</u>	Total Debt Service on
Fiscal Year Ending				.			System Revenue
March 31	Principal	Interest	Principal	Interest	Principal*	Interest	Bonds
2025	\$345,000.00	\$16,232.50		\$82,300.00			
2026	410,000.00	8,815.00		82,300.00			
2027			\$75,000.00	82,300.00	\$40,000.00		
2028			75,000.00	78,550.00	45,000.00		
2029			80,000.00	74,800.00	45,000.00		
2030			85,000.00	70,800.00	50,000.00		
2031			90,000.00	67,400.00	50,000.00		
2032			90,000.00	63,800.00	55,000.00		
2033			95,000.00	60,200.00	55,000.00		
2034			100,000.00	56,400.00	55,000.00		
2035			105,000.00	52,400.00	55,000.00		
2036			110,000.00	48,200.00	60,000.00		
2037			115,000.00	43,800.00	60,000.00		
2038			120,000.00	39,200.00	60,000.00		
2039			125,000.00	34,400.00	65,000.00		
2040			135,000.00	29,400.00	60,000.00		
2041			140,000.00	24,000.00	65,000.00		
2042			145,000.00	18,400.00	70,000.00		
2043			155,000.00	12,600.00	70,000.00		
2044			160,000.00	6,400.00	70,000.00		
2045					240,000.00		
2046					250,000.00		
2047					260,000.00		
2048					270,000.00		
2049					280,000.00		
2050					295,000.00		
Total	\$755,000.00	\$25,047.50	\$2,000,000.00	\$1,027,650.00	\$2,625,000.00*		
(Less FYE 2025 Pymt) ⁽¹⁾	(345,000.00)	(16,232.50)		(82,300.00)			
Total Outstanding	\$410,000.00	\$8,815.00	\$2,000,000.00	\$945,350.00	\$2,625,000.00*		

⁽¹⁾ Reflects (i) interest previously paid by the City on June 1, 2024, and principal and interest previously paid by the City on December 1, 2024, on the City's outstanding Series 2015A Bonds and (ii) interest previously paid by the City on June 1, 2024, and December 1, 2024, on the City's outstanding Series 2023 Bonds during the City's current fiscal year ending March 31, 2025.

^{*} Preliminary, subject to change.

Authority to Issue Additional System Revenue Bonds

At an election held in the City on April 2, 2024 (the **"2024 Election"**), the voters of the City authorized the City to issue combined waterworks and sewerage system revenue bonds in the amount of \$10,000,000 for the purpose of paying costs of extending and improving the combined waterworks and sewerage system of the City, including acquiring land and rights of way. The Bonds in the principal amount of \$2,625,000* will constitute the first installment of the total \$10,000,000 of combined waterworks and sewerage system revenue bonds approved at the 2024 Election. After the issuance of the Bonds, the City will have the authority to issue the remaining \$7,375,000* of combined waterworks and sewerage system revenue bonds authorized by the voters at the 2024 Election. Currently, the City anticipates it will issue the remaining \$7,375,000* of said combined waterworks and sewerage system revenue bonds authorized at the 2024 Election over the next five years.

FINANCIAL INFORMATION CONCERNING THE SYSTEM

Accounting, Budgeting and Auditing Procedures

The budgeting, accounting and auditing procedures of the City relating to the System are the same as for the remainder of the City's operations and as described in "FINANCIAL INFORMATION CONCERNING THE CITY – Accounting, Budgeting and Auditing Procedures" herein. The City accounts for System operations, as well as trash collections, in its Proprietary Fund.

[Remainder of this page intentionally left blank.]

_

^{*} Preliminary, subject to change.

Summary of Revenues, Expenses and Changes in Fund Balances

The following table sets forth a summary of the statement of revenues, expenses and changes in fund balances for the City's Proprietary Fund, which fund accounts for the City's System operations as well as trash collections, for the fiscal years ended March 31, 2020, through 2024. This summary was derived from the audited financial statements of the City for such fiscal years:

	Fiscal Years Ended March 31				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
OPERATING REVENUES			<u>——</u>	<u></u> -	<u> </u>
User Charges - Water	\$1,541,868	\$1,661,140	\$1,642,190	\$1,750,437	\$2,083,261
User Charges - Sewer	1,540,436	1,614,623	1,826,284	2,127,711	2,413,281
User Charges – Trash	530,733	539,254	646,262	735,290	778,492
Penalties	31,942	-	35,256	40,145	53,559
Miscellaneous	76,095	13,291	27,151	31,677	25,480
Total Operating Revenues	\$3,721,074	\$3,828,308	\$4,177,143	\$4,685,260	\$5,354,073
OPERATING EXPENSES					
Middle Big Creek Customer Fees	\$1,304,128	\$1,400,950	\$1,647,528	\$1,620,647	\$1,767,550
Water Pumping Expenses	656,133	799,214	700,076	758,909	850,965
Trash Collection Fees	434,811	440,397	838,284(1)	617,016	639,159
Salaries	144,068	227,062	222,445	229,602	257,663
Payroll Taxes	10,032	15,410	15,539	17,169	18,796
Health and Life Insurance	22,785	45,670	44,932	37,342	41,872
Pension Expense	89,651	88,665	(67,228)	(100,128)	2,907
Supplies and Materials	23,738	24,051	35,628	29,693	39,747
Repairs and Maintenance	202,380	199,498	275,036	297,458	301,880
Insurance	16,774	19,761	23,401	22,120	22,015
Utilities	1,781	2,164	2,102	2,167	2,404
Professional Services	48,495	57,435	58,709	81,767	108,054
Depreciation and Amortization	594,546	587,077	1,171,574	583,428	582,263
Bad Debts	-	41,328	13,286	11,934	29,631
Other Expenses	5,118	5,057	4,898	9,052	102,347
Total Operating Expenses	\$3,554,440	\$3,953,739	\$4,986,210	\$4,218,176	\$4,767,253
OPERATING INCOME (LOSS)	\$166,634	\$(125,431)	\$(809,067)	\$467,084	\$586,820
NONOPERATING REVENUES (EXPENSES)					
Interest Income	\$118				\$150
Transfers In	285	\$285	\$290	\$290	1,000
Transfers Out	(228,067)	(230,706)	(229,372)	(228,515)	(293,447)
Interest Expense	(71,908)	(64,812)	(57,650)	(50,265)	(42,704)
Total Nonoperating Revenues (Expenses)	\$(299,572)	\$(295,233)	\$(286,732)	\$(278,490)	\$(335,001)
CHANGE IN NET POSITION	\$(128,599)	\$(412,163)	\$(1,087,557)	\$132,083	\$1,066,252
NET POSITION (BEGINNING OF YEAR)	\$6,437,162	\$6,308,563	\$5,896,400	\$5,395,071(2)	\$5,643,797(3)
NET POSITION (END OF YEAR)	\$6,308,563	\$5,896,400	\$4,808,843	\$5,527,154	\$6,710,049

Source: City's audited financial statements for fiscal years ended March 31, 2020, through 2024.

⁽¹⁾ During fiscal year ended March 31, 2022, the City incurred a one-time expense of \$285,000 for trash bin purchases and assembly.

⁽²⁾ Accumulated depreciation in the Proprietary Fund was previously misstated – to correct this issue, the beginning net position of the Proprietary Fund was restated, which resulted in a \$586,262 increase to the beginning fund balance for fiscal year ended March 31, 2023

⁽³⁾ Accounts payable in the Proprietary Fund was previously misstated – to correct this issue, the beginning net position of the Proprietary Fund was restated, which resulted in a \$116,643 increase to the beginning fund balance for fiscal year ended March 31, 2024.

Historical Debt Service Coverage

The following table sets forth for the City's fiscal years ended March 31, 2020, through 2024, the Net Revenues of the City's System, and other available revenues (if any) available to pay debt service on the City's then-outstanding System Revenue Bonds and the extent to which such Net Revenues and other available revenues (if any) covered debt service requirements on the City's System Revenue Bonds then-outstanding during said fiscal years, which consisted of the City's Series 2015A Bonds and Series 2023 Bonds (outstanding beginning with the City's fiscal year ended March 31, 2024). The figures in the table below are derived from the City's Proprietary Funds, which includes System operations as well as trash collection operations. There can be no assurance that the System's past performance levels, which resulted in the net revenues available for debt service set forth below, will continue to be attained in the future. The financial performance of the System depends on future events and conditions, the impact of which cannot be predicted. See also the section captioned "BONDOWNERS' RISKS" in the Official Statement.

	Fiscal Years Ended March 31				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
REVENUES					
User Charges - Water	\$1,541,868	\$1,661,140	\$1,642,190	\$1,750,437	\$2,083,261
User Charges - Sewer	1,540,436	1,614,623	1,826,284	2,127,711	2,413,281
User Charges - Trash	530,733	539,254	646,262	735,290	778,492
Penalties	31,942	-	35,256	40,145	53,559
Miscellaneous	76,095	13,291	27,151	31,677	25,480
Total Revenues	\$3,721,074	\$3,828,308	\$4,177,143	\$4,685,260	\$5,354,073
EXPENSES					
(excluding depreciation and amortization)					
Middle Big Creek Customer Fees	\$1,304,128	\$1,400,950	\$1,647,528	\$1,620,647	\$1,767,550
Water Pumping Expenses	656,133	799,214	700,076	758,909	850,965
Trash Collection Fees	434,811	440,397	553,284(1)	617,016	639,159
Salaries	144,068	227,062	222,445	229,602	257,663
Payroll Taxes	10,032	15,410	15,539	17,169	18,796
Health and Life Insurance	22,785	45,670	44,932	37,342	41,872
Pension Expense	89,651	88,665	(67,228)	(100,128)	2,907
Supplies and Materials	23,738	24,051	35,628	29,693	39,747
Repairs and Maintenance	202,380	199,498	275,036	297,458	301,880
Insurance	16,774	19,761	23,401	22,120	22,015
Utilities	1,781	2,164	2,102	2,167	2,404
Professional Services	48,495	57,435	58,709	81,767	108,054
Bad Debts	-	41,328	13,286	11,934	29,631
Other Expenses	5,118	5,057	4,898	9,052	102,347
Total Expenses	\$2,959,894	\$3,366,662	\$3,529,636	\$3,634,748	\$4,184,990
NET REVENUES AVAILABLE FOR DEBT SERVICE					
(including Net Revenues from Trash Collections)	\$761,180	\$461,646	\$647,507	\$1,050,512	\$1,169,083
Net Revenues from Trash Collections	\$95,922	\$98,857	\$92,978	\$118,274	\$139,333
NET REVENUES AVAILABLE FOR DEBT SERVICE					
(without Net Revenues from Trash Collections)	\$665,258	\$362,789	\$554,529	\$932,238	\$1,029,750
ANNUAL DEBT SERVICE ON REVENUE BONDS	\$382,998	\$385,903	\$388,593	\$386,068	\$392,413
DEBT SERVICE COVERAGE RATIO (with Net Revenues from Trash Collections)	1.987	1.196	1.666	2.721	2.979
DEBT SERVICE COVERAGE RATIO	1.707	1.170	1.000	2.721	2.717
(without Net Revenues from Trash Collections)	1.737	0.940	1.427	2.415	2.624

Source: City's audited financial statements for fiscal years ended March 31, 2020, through 2024.

⁽¹⁾ For fiscal year ended March 31, 2022, Trash Collection Fees total of \$553,284 excludes \$285,000 one-time expense the City incurred for the purchase of trash bins and assembly.

FINANCIAL INFORMATION CONCERNING THE CITY

Accounting, Budgeting and Auditing Procedures

The City's government-wide financial statements are reported in accordance with the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, and the City's governmental fund financial statements are reported in accordance with the modified accrual basis of accounting, which are both accounting principles generally accepted in the United States as applied to government units, as more fully described in the notes to the City's audited financial statements for fiscal year ended March 31, 2024, attached as *Appendix B* to this Official Statement. The City, like other Missouri state and local governments, uses fund accounting to demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: Governmental Funds, Proprietary Funds and Fiduciary Funds, as further described below:

Governmental Fund Types: Governmental funds are used to account for essentially the same functions reported as the governmental activities in the government-wide financial statements. The City reports the following major governmental funds:

General Fund: The general fund is the general operating fund of the City and is used to account for all financial resources except those required to be accounted for in another fund.

Transportation Fund: The transportation fund is used to account for the proceeds of specific revenue sources that are legally restricted, committed, or assigned to expenditures for the specified purpose of expanding and maintaining the local infrastructure.

Park Fund: The park fund is used to account for the proceeds of specific revenue sources that are legally restricted, committed, or assigned to expenditures for the specified purpose of expanding and maintaining the local parks and other community areas.

Debt Service Fund: The debt service fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs other than bonds payable from the operations of the enterprise funds.

Capital Projects Funds: Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

ARPA Fund: The ARPA fund consists of funding received under the American Rescue Plan Act of 2021. As of March 31, 2024, these funds are considered unearned revenue.

Proprietary Funds: The City uses the proprietary fund to account for its combined water, sewer and trash operations.

Fiduciary Funds: The City uses a custodial fund to account for its Show Me Court municipal bond account. Custodial funds are used to report fiduciary activities that are not required to be reported in pension or OPEB trust funds, investment trust funds or private purpose trust funds.

The City is required by law to prepare an annual budget of estimated receipts and disbursements for the coming fiscal year. The budget committee submits to the City Council a proposed budget for the fiscal year commencing the following April 1.

The financial records of the City are audited annually by a firm of independent certified public accountants in accordance with generally accepted auditing standards. The audited financial statements for the

fiscal year ended March 31, 2024, attached as *Appendix B* to this Official Statement, have been prepared by Clifton Larson Allen LLP, Certified Public Accountants, Overland Park, Kansas. Prior year audit reports are on file with the City and are available for review.

Sources of Revenue for General Fund

The City finances its general operations through a local property tax levy, sales taxes, franchise taxes, charges for services, fines and fees and miscellaneous services. The City's sources of revenue in the General Fund for the four prior fiscal years ended March 31, 2021, through March 31, 2024, were as follows:

	<u>Fiscal Years Ended March 31</u>							
	202	21	202	2	202	3	202	4
Source	Amount	%	Amount	%	Amount	%	Amount	%
Sales Tax	\$869,613	26.46%	\$913,978	30.58%	\$952,443	28.88%	\$939,662	25.38%
Property Tax	476,267	14.49	490,083	16.40	511,100	15.50	545,947	14.75
Other Tax	23,217	0.71	21,064	0.70	20,937	0.63	17,511	0.47
PILOT Payments	201,366	6.13	201,366	6.74	201,366	6.11	201,366	5.44
Franchise Fees	978,551	29.77	976,556	32.68	1,008,273	30.57	959,007	25.91
License and Permits	107,412	3.27	132,095	4.42	115,493	3.50	125,696	3.40
Intergovernmental Revenue	480,670	14.62	5,197	0.17	5,087	0.15	5,290	0.14
Fines and Court Costs	87,758	2.67	111,185	3.72	118,528	3.59	162,111	4.38
Insurance Rebates & Proceeds	4,783	0.15	57,381	1.92	113,519	3.44	70,083	1.89
Grants and Donations	39,190	1.19	62,601	2.09	63,999	1.94	62,923	1.70
Interest	8,705	0.26	2,700	0.09	81,672	2.48	478,141	12.92
Other	9,285	0.28	14,218	0.48	105,785	3.21	<u>134,256</u>	3.63
TOTAL REVENUES	\$3,286,817	100.00%	\$2,988,424	100.00%	\$3,298,202	100.00%	\$3,701,993	100.00%

Source: City's audited financial statements for fiscal years ended March 31, 2021, through March 31, 2024.

Summary of General Fund Receipts, Expenditures and Fund Balances

The following table sets forth the City's total revenues, expenditures and ending fund balance in the General Fund for the fiscal years ended March 31, 2020, through March 31, 2024:

	Fiscal Years Ended March 31				
	2020	2021	2022	2023	2024
REVENUES AND EXPENSES					
General Fund Revenues	\$2,790,483	\$3,286,817	\$2,988,424	\$3,298,202	\$3,701,993
General Fund Expenditures	2,771,315	3,022,967	3,306,912	3,542,192	3,603,343
Revenues Collected Over (Under) Expenses	19,168	263,850	(318,488)	(243,990)	\$98,650
OTHER FINANCING SOURCES (USES)					
Issuance of Lease				\$53,390	
Transfers In	\$375,511	\$387,682	\$616,224	540,079	\$686,407
Transfers (Out)	(252,265)	(183,575)	(290,475)	(106,916)	(105,728)
Total Other Financing Sources (Uses)	\$123,246	\$204,107	\$325,749	\$486,553	\$580,649
NET CHANGE IN FUND BALANCES	\$142,414	\$467,957	\$7,261	\$242,563	\$679,299
BEGINNING GENERAL FUND BALANCE (April 1)	\$1,774,880	\$1,917,294	<u>\$2,385,251</u>	\$2,390,383	\$2,706,811(2)
ENDING GENERAL FUND BALANCE (March 31)	<u>\$1,917,294</u>	<u>\$2,385,251</u>	\$2,392,512	<u>\$2,632,946</u>	\$3,386,110

Source: City's audited financial statements for fiscal years ended March 31, 2020, through 2024.

Sales Tax Collections

The following table sets forth the City's sales tax collection for the fiscal years ended March 31, 2020, through March 31, 2024:

Fiscal Year	General	Capital	Park/		Pool Capital
Ended	Fund	Improvement	Stormwater	Transportation	Improvement
March 31	(1.0%)	(0.5%)	(0.5%)	(0.5%)	(0.25%)
2024	\$939,662	\$470,255	\$423,931	\$423,931	\$211,965
2023	952,443	475,799	426,660	426,665	213,287
2022	913,977	456,988	416,033	415,771	207,859
2021	869,613	434,807	395,782	395,784	197,874
2020	764,750	382,376	339,148	339,419	169,698

Source: City's audited financial statements for the fiscal years ended March 31, 2020, through 2024.

Employee Retirement and Pension Plans

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 was created and is governed by state statute, and is a defined-benefit pension plan that provides retirement, disability and death benefits. The plan is qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended, and is tax-exempt. LAGERS is governed by a seven-member Board of Trustees ("LAGERS' Board") consisting of three trustees elected by

⁽¹⁾ Accounts payable in the General Fund was previously misstated – to correct this issue, the beginning net position of the General Fund was restated, which resulted in a \$73,865 increase to the beginning fund balance for fiscal year ended March 31, 2024.

participating employees, three trustees elected by participating employers and one trustee appointed by the Missouri Governor.

LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. The LAGERS Annual Comprehensive Financial Report for the fiscal year ended June 2023 (the **~2023 LAGERS** Annual Financial Report") available https://www.molagers.org/financial-reports. The link to the 2023 LAGERS Annual Financial Report is provided for general background information only, and the information in the 2023 LAGERS Annual Financial Report is not incorporated by reference into this Official Statement. The 2023 LAGERS Annual Financial Report provides detailed information about LAGERS, including its financial position, investment policy and performance information, actuarial information and assumptions affecting plan design and policies, and certain statistical information about the plan.

For information specific to the City's participation in LAGERS, including the City's past contributions, net pension liability, and pension expense, see *Note 9* to the City's audited financial statements for fiscal year ended March 31, 2024, included in *Appendix B* to this Official Statement. For additional information regarding LAGERS, see the 2023 LAGERS Annual Financial Report.

Other Postemployment Benefits

In addition to pensions, many state and local governments, including the City, provide other postemployment benefits ("OPEB") as part of the total compensation offered to attract and retain the services of qualified employees. For information specific to the City's OPEB obligations, including the City's past contributions relative to its required contributions, its assumptions as to future healthcare and other costs and its unfunded actuarial accrued liability, see *Note 10* to the City's audited financial statements for fiscal year ended March 31, 2024, included in *Appendix B* to this Official Statement.

DEBT STRUCTURE OF THE CITY

Overview

The following table summarizes certain financial information concerning the City. This information should be reviewed in conjunction with the information contained in this section and the excerpts of the City's audited financial statements for fiscal year ended March 31, 2024, attached as *Appendix B* to this Official Statement.

2024 Assessed Valuation ⁽¹⁾	\$745,698,195
Outstanding General Obligation Bonds ("Direct GO Debt") ⁽⁴⁾ Outstanding Lease Obligations ("Direct Leases") ⁽⁵⁾ Total Direct GO Debt and Direct Leases	<u>\$1,377,420</u>
Ratio of Direct GO Debt and Direct Leases to Assessed Valuation	2.43%
Overlapping General Obligation Debt ("Indirect GO Debt") ⁽⁶⁾ Total Indirect GO Debt, Direct GO Debt and Direct Leases	
Ratio of Indirect GO Debt, Direct GO Debt and Direct Leases to Assessed Valuation Ratio of Indirect GO Debt, Direct GO Debt and Direct Leases to Estimated Actual Value Per Capita Indirect GO Debt, Direct GO Debt and Direct Leases	uation 4.49%

⁽I) Includes the City's 2024 real and personal property assessment, after Board of Equalization adjustments, as certified by the Cass County Clerk and the Jackson County Clerk. For further details see the section captioned "PROPERTY TAX INFORMATION CONCERNING THE CITY" herein.

⁽²⁾ Estimated actual valuation is calculated by dividing different classes of property by the corresponding assessment ratio. For a detail of these different classes and ratios see the section captioned "PROPERTY TAX INFORMATION CONCERNING THE CITY" herein.

⁽³⁾ U.S. Census Bureau, Quick Facts, estimated July 1, 2023, population of the City.

⁽⁴⁾ Reflects the total outstanding principal amount of the City's outstanding general obligation bonds as of December 19, 2024. See also the section captioned "Current Long-Term General Obligation Indebtedness" herein.

⁽⁵⁾ Reflects (i) the outstanding principal payments due on the Series 2019 Certificates (\$1,355,000) as of December 19, 2024, and (ii) the outstanding annual payments due on the 2019 wheel loader equipment lease, the 2019 compact track loader equipment lease and the 2019 skid steer loader (totaling \$22,420). See the section captioned "Other Long-Term Obligations of the City" herein.

⁽⁶⁾ For further details, see the section captioned "Overlapping General Obligation Indebtedness" herein.

Current Long-Term General Obligation Indebtedness

The following table sets forth all of the outstanding general obligation indebtedness of the City as of the date of issuance of the Bonds (December 19, 2024):

Category of Indebtedness	Date of Indebtedness	Principal Amount Issued	Principal Amount Outstanding
General Obligation Refunding Bonds, Series 2015B	December 9, 2015	\$6,455,000	\$740,000
General Obligation Bonds, Series 2024	June 12, 2024	\$16,000,000	\$16,000,000
		TOTAL	<u>\$16,740,000</u>

History of General Obligation Indebtedness

The following table sets forth debt information pertaining to the City as of the end of each of the last five fiscal years:

As of Fiscal Year Ended March 31	Total Outstanding Debt	Assessed Valuation ⁽¹⁾	Debt as Percentage of Assessed Value
2024	\$740,000	\$161,604,895	0.46%
2023	1,470,000	139,576,510	1.05
2022	2,180,000	135,666,730	1.61
2021	2,855,000	129,436,000	2.21
2020	3,510,000	127,032,557	2.76

Source: City's audited financial statements for fiscal years ended March 31, 2020, through March 31, 2024; assessed valuations of the City provided by the County Clerks of Cass County and Jackson County for calendar years 2019 through 2023.

⁽¹⁾ Reflects the assessed valuation of the City provided by the County Clerks of Cass County and Jackson County for the calendar year ended December 31, prior to the fiscal year shown.

General Obligation Bond Debt Service Requirements

The following table sets forth debt service requirements for all of the outstanding general obligation bonds of the City:

Fiscal Year			
Ending			Total
March 31	Principal	Interest	Debt Service
2025	\$740,000.00	\$490,432.43	\$1,230,432.43
2026	305,000.00	661,625.00	966,625.00
2027	345,000.00	646,375.00	991,375.00
2028	390,000.00	629,125.00	1,019,125.00
2029	440,000.00	609,625.00	1,049,625.00
2030	485,000.00	587,625.00	1,072,625.00
2031	540,000.00	563,375.00	1,103,375.00
2032	595,000.00	541,775.00	1,136,775.00
2033	655,000.00	517,975.00	1,172,975.00
2034	720,000.00	491,775.00	1,211,775.00
2035	785,000.00	462,975.00	1,247,975.00
2036	855,000.00	431,575.00	1,286,575.00
2037	930,000.00	397,375.00	1,327,375.00
2038	1,005,000.00	360,175.00	1,365,175.00
2039	1,090,000.00	319,975.00	1,409,975.00
2040	1,175,000.00	276,375.00	1,451,375.00
2041	1,270,000.00	229,375.00	1,499,375.00
2042	1,365,000.00	178,575.00	1,543,575.00
2043	1,470,000.00	123,975.00	1,593,975.00
2044	1,580,000.00	65,175.00	1,645,175.00
Total	\$16,740,000.00	\$8,585,257.43	\$25,325,257.43
(Less 09/01/2024 Pymt) ⁽¹⁾		(7,215.00)	(7,215.00)
Total Outstanding	\$16,740,000.00	\$8,578,042.43	\$25,318,042.43

⁽¹⁾ Reflects interest payment previously paid by the City on September 1, 2024, during the City's current fiscal year ending March 31, 2025, attributable to the City's outstanding General Obligation Refunding Bonds, Series 2015B.

Overlapping General Obligation Indebtedness

The following table sets forth overlapping general obligation indebtedness of political subdivisions with boundaries overlapping the City as of November 1, 2024, and the approximate percent attributable to the City (on the basis of 2023 assessed valuation) based on information furnished by the jurisdictions responsible for the debt. The City has not independently verified the accuracy or completeness of such information. Furthermore, political subdivisions may have ongoing programs requiring the issuance of substantial additional bonds or incurring of lease obligations since the date indicated, the amounts of which cannot be determined at this time.

Taxing	Total Outstanding General Obligation Bond	Approx. Percent Applicable	Approx. Amount Applicable
Jurisdiction	Indebtedness	to City	to City
Pleasant Hill R-III School District	\$21,000,000	67.9%	\$14,259,000
Cass County ⁽¹⁾	16,695,000	6.7	1,118,565
		TOTAL:	\$15,377,565

Source: Bond Registration Reports of Missouri State Auditor; City's audited financial statements for fiscal year ended March 31, 2024; most recent information available from the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system.

Legal Debt Capacity

Article VI, Sections 26(b) and 26(c) of the Constitution of Missouri, limits the net outstanding amount of authorized general obligation bonds for a city to 10 percent of the assessed valuation of the city. Article VI, Sections 26(d) and 26(e), however, provides that a city may, with the required voter approval, issue general obligation bonds in an amount not to exceed an additional 10 percent of assessed valuation for street, water system, sewer system and electric utility system improvements, provided the total general obligation indebtedness of a city does not exceed 20 percent of the assessed valuation.

Based on the City's assessed valuation for 2024, the City's current legal debt margin is as follows:

Constitutional Debt Limit (20% of 2024 Assessed Valuation of \$162,822,257)	\$32,564,451
Less General Obligation Bonds Outstanding	$(16,740,000)^{(1)}$
Legal Debt Margin	\$15,824,451

Includes the outstanding principal amounts of the City's (a) General Obligation Bonds, Series 2015B (\$740,000) and (b) General Obligation Bonds, Series 2024 (\$16,000,000).

Other Long-Term Obligations of the City

Refunding Certificates of Participation. On October 8, 2019, the City delivered its Refunding Certificates of Participation (City of Pleasant Hill, Missouri, Lessee), Series 2019, in the original principal amount of \$2,055,000 (the "Series 2019 Certificates") for the purpose of refunding all of the outstanding Certificates of Participation (Swimming Pool Project), Series 2013, in the original principal amount of \$2,420,000 (the "Refunded Certificates") in order to achieve interest cost savings for the City. The Series 2019 Certificates represent proportionate, undivided interests of the owners thereof in basic rent payments ("Basic Rent Payments") to be paid by the City pursuant to an annually-renewable Lease Purchase Agreement dated as of October 1, 2019 (the "Lease"), between Security Bank of Kansas City, as trustee and lessor, and the

Cass County's outstanding obligations consist of general obligation bonds issued for the purpose of extending and improving streets, roadways and bridges in Cass County. Excluded are neighborhood improvement district bonds, which are general obligations of Cass County but are expected to be paid from special assessments against property within the neighborhood improvement districts and for which Cass County may not levy a general property tax without voter approval.

City, as lessee. The following schedule shows the remaining Basic Rent Payments that are payable by the City under the Lease, which are subject to annual appropriation by the City Council, and that are distributable to owners of the Series 2019 Certificates.

Fiscal Year			
Ending	Principal	Interest	Total Basic Rent
March 31	Portion	Portion	Payment
2025	\$125,000.00	\$44,400.00	\$169,400.00
2026	120,000.00	40,650.00	160,650.00
2027	125,000.00	37,050.00	162,050.00
2028	130,000.00	33,300.00	163,300.00
2029	135,000.00	29,400.00	164,400.00
2030	140,000.00	25,350.00	165,350.00
2031	140,000.00	21,150.00	161,150.00
2032	145,000.00	16,950.00	161,950.00
2033	145,000.00	12,600.00	157,600.00
2034	275,000.00	8,250.00	283,250.00
Total	\$1,480,000.00	\$269,100.00	\$1,749,100.00
(Less FYE 2025 Pymt) ⁽¹⁾	(125,000.00)	(44,400.00)	(169,400.00)
Total Outstanding	\$1,355,000.00	\$224,700.00	\$1,579,700.00

⁽¹⁾ Reflects (i) interest previously paid by the City on June 1, 2024, and principal and interest previously paid by the City on December 1, 2024, on the City's outstanding Series 2019 Certificates during the City's current fiscal year ending March 31, 2025.

The City satisfies its obligations to make Basic Rent Payments during each fiscal year under the Lease from revenues generated by the City's 0.25% capital improvement sales tax, which was approved by voters of the City at an election held on April 2, 2013, with no automatic sunset, for the purpose of providing funds for capital improvements, including a municipal swimming pool. The City began collecting the tax on October 1, 2013. See also the section captioned "FINANCIAL INFORMATION CONCERNING THE CITY - Sales Tax Collections" in this *Appendix A*.

Other Capital Lease Obligations. On October 14, 2019, the City entered into the following lease purchase agreements with Bell Bank (together, the "Capital Leases") that all have a final payment date in fiscal year ending March 31, 2025:

Final Payment in Fiscal Vear Ending

		•	March 31, 2025							
Description of Capital Lease	Original Principal Amount	Principal	Interest	Final Total Payment						
Lease Purchase Agreement for wheel loader	\$68,066	\$12,142	\$589	\$12,731						
Lease Purchase Agreement for compact track loader	31,467	5,612	272	5,884						
Lease Purchase Agreement for skid steer loader	20,343	3,629	<u>176</u>	<u>3,805</u>						
TOTAL	•	<u>\$21,383</u>	<u>\$1,037</u>	<u>\$22,420</u>						

Although each of the Capital Leases provide for cancellation at the City's option each year, the City does not foresee exercising that option.

No Prior Default

The City has never defaulted on the payment of any of its obligations and has never failed to appropriate funds to pay its annually renewable lease purchase obligations and other obligations that are subject to annual appropriation.

PROPERTY TAX INFORMATION

Property Valuations

Assessment Procedure: All taxable real and personal property within the City is assessed annually by the County Assessor. Missouri law requires that personal property be assessed at 33 1/3% of true value (except for a few subclasses of minimal value that are assessed at a lower percentage) and that real property be assessed at the following percentages of true value:

Residential real property	19%
Agricultural and horticultural real property	
Utility, industrial, commercial, railroad and all other real property	

A general reassessment of real property occurred statewide in 1985. In order to maintain equalized assessed valuations following this reassessment, the state legislature adopted a maintenance law in 1986. On January 1 in every odd-numbered year, each County Assessor must adjust the assessed valuation of all real property located within the county in accordance with a two-year assessment and equalization maintenance plan approved by the State Tax Commission.

The County Assessor is responsible for preparing the tax roll each year and for submitting the tax roll to the Board of Equalization. The County Board of Equalization has the authority to adjust and equalize the values of individual properties appearing on the tax rolls.

Current Assessed Valuation. The following table shows the total assessed valuation and the estimated actual valuation, by category, of all taxable tangible property situated in the City, including state assessed railroad and utility property, according to the assessment for calendar year 2024 for property owned as of January 1, 2024 (after Board of Equalization adjustments).

Type of Property	Total Assessed <u>Valuation</u>	Assessment <u>Rate</u>	Total Estimated Actual Valuation	% of Actual <u>Valuation</u>
Real Property:				
Residential	\$112,047,610	19.00%	\$589,724,263	79.08%
Agricultural	153,741	12.00%	1,281,175	0.17
Commercial ⁽¹⁾	22,572,986	32.00%	70,540,581	9.46
Total Real Property	\$134,774,337		\$661,546,019	88.71%
Personal Property ⁽¹⁾	\$28,047,920	33.33%(2)	\$84,152,175	11.29%
TOTAL PROPERTY	<u>\$162,822,257</u>		<u>\$745,698,195</u>	100.00%

⁽¹⁾ Includes state assessed railroad and utility property.

⁽²⁾ Assumes all personal property is assessed at 33 1/3%; because certain subclasses of tangible personal property are assessed at less than 33 1/3%, the estimated actual valuation for personal property would likely be greater than that shown above. See "Assessment Procedure" discussed above.

History of Property Valuations: The total assessed valuation of all taxable tangible property situated in the City, including state assessed railroad and utility property, according to the final notice of assessed valuation provided the County Clerks of Cass County and Jackson County in each of the following years, has been as follows:

Year	Assessed Valuation	Percent Change
2024	\$162,822,257	0.75%
2023	161,604,895	$15.78^{(1)}$
2022	139,576,510	2.88
2021	135,666,730	4.81
2020	129,436,000	1.89

Source: Cass County Clerk's and Jackson County Clerk's assessed valuation notices to the City.

Property Tax Levies and Collections

Tax Collection Procedure: Property taxes are levied and collected for the City by the County, for which the County receives a collection fee of 2.5% of the gross tax collections made.

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

The County Clerk receives the county tax books from the County Assessor, which set forth the assessments of real and personal property. The County Clerk enters the tax rates certified to him by the local taxing bodies in the tax books and assesses such rates against all taxable property in the City as shown in such books. The County Clerk forwards the tax books by October 31 to the County Collector, who is charged with levying and collecting taxes as shown therein. The County Collector extends the taxes on the tax rolls and issues the tax statements on or about November 1. Taxes are due by December 31 and become delinquent if not paid to the County Collector by that time.

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

Tax Abatement and Tax Increment Financing

Under Missouri law, tax abatement is available for redevelopers of areas determined by the governing body of a city to be "blighted." The Land Clearance for Redevelopment Authority Law authorizes ten-year tax abatement pursuant to Sections 99.700 to 99.715, RSMo (the "LCRA Law"). In lieu of ten-year tax abatement, a redeveloper that is an urban redevelopment corporation formed pursuant to Chapter 353, RSMo ("Chapter 353") may seek real property tax abatement for a total period of 25 years. Additionally, the Industrial Development Law, Chapter 100, RSMo ("Chapter 100"), authorizes real and personal property tax abatement for corporations for projects for industrial development. Currently, there is a tax abatement project located within the City. See *Note 12* to the City's audited financial statements for fiscal year ended March 31, 2023, attached as *Appendix B* to this Official Statement for additional details regarding tax abatement projects located within the City.

⁽¹⁾ Large increase in assessed valuation is due to reassessment in calendar year 2023.

Furthermore, the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865, RSMo, makes available tax increment financing for redevelopment projects in certain areas determined by the governing body of a city or county to be a "blighted area," "conservation area," or "economic development area," each as defined in such statute.

Payment in Lieu of Taxes - PILOT Payments

Pursuant to a lease arrangement and related agreements entered into under Chapter 100 of the Revised Statutes of Missouri, the City receives payments in lieu of taxes (PILOTs) from Dogwood Energy, LLC relating to the Dogwood Energy Center, which is a natural gas combined cycle power generating plant located in the City.

The City received a scheduled PILOT payment of \$201,366 in the fiscal year ended March 31, 2024. During the current fiscal year ending March 31, 2025, the City received a lump sum PILOT payment from Dogwood Energy, LLC in the amount of \$604,098 which covers all remaining PILOTs required to be paid by Dogwood Energy, LLC, through June 30, 2027.

Tax Rates

Debt Service Property Tax Levy. The City's debt service property tax levy for the current fiscal year ending March 31, 2025 (levied during the current calendar year ending December 31, 2024), is \$0.5934 per \$100 of assessed valuation. Once indebtedness has been approved by the voters and bonds are issued, the City is required under Article VI, Section 26(f) of the Missouri Constitution to levy an annual tax on all taxable tangible property therein sufficient to pay the interest and principal of the indebtedness as they fall due and to retire the same within 20 years from the date of issue. The City Council may set the tax rate for debt service, without limitation as to rate or amount, at the level required to make such payments.

Other Property Tax Levies. Other than the debt service property tax levy, the City's other property tax levies for the current fiscal year ending March 31, 2025, which consist of the City's general fund property tax levy, the street fund property tax levy, the health fund property tax levy and the parks and recreation fund property tax levy (collectively, the "operating tax levies"), total \$0.5729 per \$100 of assessed valuation (levied by the City during the current calendar year ending December 31, 2024). Any property taxes levied by the City for operations, such as the City's operating tax levies, cannot exceed the "tax rate ceiling" for each such operating tax levy for the current year without voter approval. Without the required percentage of voter approval, the tax rate ceiling cannot at any time exceed the greater of the tax rate in effect in 1980 or the most recent voter-approved tax rate (as adjusted pursuant to the provisions of the Hancock Amendment and SB 711, more fully explained below). The tax levy for debt service on the City's general obligation bonds, such as the Bonds, is exempt from the calculations of and limitations upon the tax rate ceiling. Under Article X, Section 11(c) of the Missouri Constitution, any increase in the City's general fund property tax levy above \$1.00 must be approved by two-thirds of the voters voting on the proposition.

Article X, Section 22(a) of the Missouri Constitution (commonly known as the "Hancock Amendment"), approved in 1980, places limitations on total state revenues and the levying or increasing of taxes without voter approval. The Missouri Supreme Court has interpreted the definition of "total state revenues" to exclude voter-approved tax increases. The Hancock Amendment also includes provisions for rolling back tax rates. If the assessed valuation of property, excluding the value of new construction and improvements, increases by a larger percentage than the increase in the Consumer Price Index from the previous year (or 5%, if greater), the maximum authorized current levy must be reduced to yield the same gross revenue from existing property, adjusted for changes in the Consumer Price Index, as could have been collected at the existing authorized levy on the prior assessed value. This reduction is often referred to as a "Hancock rollback." The Hancock rollback limitation on local governmental units does not apply to taxes levied in the debt service fund for the payment of principal and interest on general obligation bonds, such as the Bonds.

In 2008, through the enactment of Senate Bill 711 ("SB 711"), the Missouri General Assembly approved further limitations on the amount of property taxes that can be imposed by a local governmental unit. Prior to the enactment of SB 711, a Hancock rollback would not necessarily result in a reduction of a city's actual operating tax levy if its current operating tax levy was less than its current operating tax levy ceiling, due to the city's voluntary rollback from the maximum authorized operating tax levy. Under SB 711, in reassessment years (odd-numbered years), the Hancock rollback is applied to a city's actual operating tax levy, regardless of whether the operating tax levy is at the city's operating tax levy ceiling. This further reduction is sometimes referred to as an "SB 711 rollback." In non-reassessment years (even-numbered years), the operating tax levy may be increased to the city's tax levy ceiling (as adjusted by the Hancock rollback), only after a public hearing and adoption of a resolution or policy statement justifying the action. The City's debt service fund property tax levy for general obligation bonds is exempt from the SB 711 rollback calculations.

The following table shows the City's tax levies (per \$100 of assessed valuation) for the current fiscal year ending March 31, 2025, and each of the last five fiscal years ended March 31, 2020 through March 31, 2024:

Tax Year	Fiscal Year			Parks and		Debt	
Ended	Ended	General	Street	Recreation	Health	Service	Total
December 31	March 31	Fund	Fund	Fund	Fund	Fund	Levy
2024	2025	\$0.3229	\$0.1210	\$0.0645	\$0.0645	\$0.5934	\$1.1663
2023	2024	0.3201	0.1199	0.0639	0.0639	0.5667	1.1345
2022	2023	0.3349	0.1255	0.0669	0.0669	0.5934	1.1876
2021	2022	0.3349	0.1255	0.0669	0.0669	0.5934	1.1876
2020	2021	0.3387	0.1269	0.0677	0.0677	0.5934	1.1944
2019	2020	0.3387	0.1269	0.0677	0.0677	0.5934	1.1944

Source: For the City's fiscal years ended March 31, 2020, through 2024, the Missouri State Auditor Property Tax Rate Reports for calendar years 2019 through 2023; for the City's current fiscal year ending March 31, 2025, the City.

Tax Collection Record

The following table sets forth the property tax collection information for the City for the fiscal years ended March 31, 2020, through 2024:

Tax Year Ended	Fiscal Year Ended	Total Levy (per \$100 of	Assessed	Total Taxes	Current and Delinquent Taxes Collected ⁽³⁾					
December 31	March 31	Assessed Value)	$Valuation^{(1)}$	Levied ⁽²⁾	Amount	%				
2023	2024	\$1.1345	\$161,604,895	\$1,833,408	\$1,929,900	105.26%				
2022	2023	1.1876	139,576,510	1,657,611	1,812,429	109.34				
2021	2022	1.1876	135,666,730	1,611,178	1,732,591	107.54				
2020	2021	1.1944	129,436,000	1,545,984	1,679,728	108.65				
2019	2020	1.1944	127,032,557	1,517,277	1,575,019	103.81				

Source: City's audited financial statements for fiscal years ended March 31, 2020, through 2024.

* * *

The assessed valuation used is the assessed valuation of the City as adjusted through December 31 of the calendar year prior to the fiscal year shown.

Total Taxes Levied is calculated by dividing assessed valuation by 100 and multiplying by the Total Levy.

Delinquent taxes are shown in the year payment is actually received, which may cause the percentage of Current and Delinquent Taxes Collected to exceed 100%.

THIS PAGE INTENTIONALLY

LEFT BLANK

APPENDIX B

CITY OF PLEASANT HILL, MISSOURI AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED MARCH 31, 2024

THIS PAGE INTENTIONALLY

LEFT BLANK

CITY OF PLEASANT HILL, MISSOURI

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED MARCH 31, 2024



CITY OF PLEASANT HILL, MISSOURI TABLE OF CONTENTS YEAR ENDED MARCH 31, 2024

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	6
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	14
STATEMENT OF ACTIVITIES	16
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	17
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	18
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS	19
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	20
STATEMENT OF NET POSITION – PROPRIETARY FUNDS	21
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS	23
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS	24
STATEMENT OF FIDUCIARY NET POSITION – CUSTODIAL FUND	26
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – CUSTODIAL FUND	27
NOTES TO FINANCIAL STATEMENTS	28
REQUIRED SUPPLEMENTARY INFORMATION	
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND	59
BUDGETARY COMPARISON SCHEDULE – TRANSPORTATION FUND	60

CITY OF PLEASANT HILL, MISSOURI TABLE OF CONTENTS YEAR ENDED MARCH 31, 2024

BUDGETARY COMPARISON SCHEDULE – PARK FUND	61
SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS	62
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY (ASSISTEDULE OF CHANGES IN THE CITY'S OTHER POSTEMPLOYMENT	ET) 63
BENEFITS AND RELATED RATIOS	64
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	65
OTHER SUPPLEMENTARY INFORMATION	
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS	74
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUND	S 75
SCHEDULE OF LONG-TERM DEBT MATURITIES	76
BUDGETARY COMPARISON SCHEDULE – DEBT SERVICE FUND (UNAUDITED)	77
BUDGETARY COMPARISON SCHEDULE – CAPITAL PROJECTS FUND (UNAUDITED)	78

THIS PAGE INTENTIONALLY

LEFT BLANK



INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council Members City of Pleasant Hill, Missouri Pleasant Hill, Missouri

Report on the Audit of the Financial Statements

Opinions

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 Pleasant Hill, Missouri (the City), as of and for the year ended March 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pleasant Hill, as of March 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the *Audit of the Financial Statements* section of our report. We are required to be independent of the City of Pleasant Hill, Missouri and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis-of-Matters

As discussed in Note 1 to the financial statements, effective April 1, 2023, the City of Pleasant Hill adopted new accounting guidance for subscription-based information technology agreements (SBITAs). There was no material impact on the entity's net position or fund balance as a result of the adoption of the standard. Our opinion is not modified with respect to this matter.

As described in Note 1 to the financial statements, the City restated beginning fund balance in the general, transportation, park, capital projects, and other governmental funds and beginning net positions for governmental and business type activities to correct error in previously issued financial statements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Pleasant Hill, Missouri's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due
 to fraud or error, and design and perform audit procedures responsive to those risks. Such
 procedures include examining, on a test basis, evidence regarding the amounts and disclosures
 in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit
 procedures that are appropriate in the circumstances, but not for the purpose of expressing an
 opinion on the effectiveness of the City of Pleasant Hill, Missouri's internal control. Accordingly,
 no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Pleasant Hill, Missouri's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the schedules of employer's pension contributions and share of net pension liability, and the schedule of changes in the city's other postemployment benefits and related ratios be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Pleasant Hill, Missouri's basic financial statements. The combining and individual nonmajor fund financial statements and schedule of long-term debt maturities are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the budgetary comparison schedules for the debt service fund and capital projects fund but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

Honorable Mayor and City Council Members City of Pleasant Hill, Missouri

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 6, 2024, on our consideration of the City of Pleasant Hill, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely 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 effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Pleasant Hill, Missouri's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

Clifton Larson Allen LLP

Kansas City, Missouri September 6, 2024 **REQUIRED SUPPLEMENTARY INFORMATION**

This section of the City of Pleasant Hill, Missouri's (the City) annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year that ended on March 31, 2024. The management's discussion and analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued in June 1999. Certain comparative information between the current year (2024) and the prior year (2023) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2024 include the following:

- The assets and deferred outflows of resources of the City of Pleasant Hill, Missouri, exceeded
 its liabilities and deferred inflows of resources at the close of the most recent fiscal year by
 \$28,686,998 of this amount, \$8,948,318 represents unrestricted net position and may be used
 to fund ongoing obligations.
- Total net position increased by \$3,277,731 which represents an increase of 13.02% over the prior year. Total long-term debt for the City of Pleasant Hill, Missouri, increased during the current fiscal year by \$820,340.
- As of the close of the 2024 fiscal year, the City of Pleasant Hill, Missouri's combined governmental fund balances totaled \$7,167,605. This is an increase from the previous fiscal year by \$1,108,132 after accounting for the prior period adjustment. Revenues for the year and unassigned balances from prior years of the City were sufficient to pay current debt obligations, capital outlay, and current operating expenses.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City of Pleasant Hill, Missouri's basic financial statements. The City of Pleasant Hill, Missouri's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

The statement of net position presents information on all of the City of Pleasant Hill, Missouri's assets, deferred outflows of resources liabilities, and deferred inflows of resources, with the difference between these reported as net position. Over time and in consideration of other factors from the notes to the financial statements, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Pleasant Hill, Missouri, is improving or deteriorating.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Government-Wide Financial Statements (Continued)

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position 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.

The government-wide financial statements distinguish functions of the City of Pleasant Hill, Missouri, 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 of Pleasant Hill, Missouri, include general government, public safety (police), transportation, codes, and recreation, among other departments. Business-type activities of the City of Pleasant Hill, Missouri, include trash, water, and sewer operations.

The government-wide financial statements can be found beginning on page 14 of this report.

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 of Pleasant Hill, Missouri, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Pleasant Hill, Missouri, can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

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

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, readers 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 of Pleasant Hill, Missouri, adopts an annual appropriated budget for its General Fund and other funds. The budgetary schedules for the general fund and major special revenue funds are included in the required supplementary section following the notes to the financial statements beginning on page 59.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Fund Financial Statements (Continued)

Proprietary Funds

The City of Pleasant Hill, Missouri, uses the Enterprise Fund to account for its combined water, sewer, and trash operations. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found beginning on page 21 of this report.

Fiduciary Funds

The City of Pleasant Hill, Missouri uses a custodial fund to account for its Show Me Court municipal bond account. Custodial Funds are used to report fiduciary activities that are not required to be reported in pension or OPEB trust funds, investment trust funds, or private purpose trust funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 28 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City of Pleasant Hill, Missouri, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$28,686,988 at the close of the fiscal year. The largest portion of the City of Pleasant Hill's net position, 56.9%, reflects its investment in capital assets (land, buildings, machinery, equipment, infrastructure), less any outstanding debt and other liabilities used to acquire those assets.

The City of Pleasant Hill, Missouri, uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Pleasant Hill, Missouri's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

City of Pleasant Hill, Missouri Statement of Net Position

(in thousands of dollars)

	Governmental					Busines	е					
		Activities				Activ	/ities			To	otal	
		2024		2023		2024		2023		2024		2023
ASSETS												
Current and Other Assets	\$	7,645	\$	7,857	\$	3,694	\$	1,241	\$	11,339	\$	9,098
Capital Assets		15,237		15,187		6,184		5,867		21,421		21,054
Right-to-Use Assets		41		57		-		-		41		57
Other Noncurrent Assets		1,250		2,169		43		153		1,293		2,322
Total Assets		24,173		25,270		9,921		7,261		34,094		32,531
Deferred Outflows of												
Resources		991		348		119		35		1,110		383
LIABILITIES												
Other Liabilities		1,542		2,870		880		984		2,422		3,854
Long-Term Liabilities		1,469		2,373		2,436		696		3,905		3,069
Total Liabilities		3,011		5,243		3,316		1,680		6,327	,	6,923
Deferred Inflows of Resources		176		727		14		277		190		1,004
NET POSITION												
Net Investment in												
Capital Assets		12,954		12,012		3,360		4,761		16,314		16,773
Restricted		3,142		3,794		283		378		3,425		4,172
Unrestricted		5,882		3,842		3,066		388		8,948		4,230
Total Net Position	\$	21,978	\$	19,648	\$	6,709	\$	5,527	\$	28,687	\$	25,175

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

City of Pleasant Hill, Missouri Statement of Changes in Net Position

(in thousands of dollars)

	Governmental Activities					Busines Activ		е	Total				
		2024				2024	2023	2024			2023		
REVENUES		2027		2020		2024		2020		2027		2020	
Program Revenues:													
Charges for Services	\$	758	\$	778	\$	5,354	\$	4,685	\$	6,112	\$	5,463	
Operating Grants and	Ψ	, 00	Ψ		Ψ	0,001	Ψ	1,000	Ψ	0,112	Ψ	0, 100	
Contributions		1,563		585		_		_		1,563		585	
Capital Grants and		.,,,,,								.,			
Contributions		86		5		_		-		86		5	
General Revenues:												•	
Sales Tax		2,470		2,495		_		_		2,470		2,495	
Property Tax		1,930		1,812		_		_		1,930		1,812	
Other Taxes		508		487		_		_		508		487	
PILOT Payments		201		201		_		_		201		201	
Franchise Fees		959		1,008		_		_		959		1,008	
Other Revenues		656		221		_		_		656		221	
Total Revenues		9,131		7,592		5,354		4,685		14,485		12,277	
EXPENSES													
Administration		2,271		1,684		-		-		2,271		1,684	
Police		1,487		1,190		-		-		1,487		1,190	
Codes		141		78		-		-		141		78	
Transportation		999		779		-		-		999		779	
Recreation		932		848		-		-		932		848	
Other Governmental Activities		264		149		-		-		264		149	
Governmental Debt Interest													
and Bond Issuance Costs		80		87		-		-		80		87	
ARPA		193		155		-		-		193		155	
Trash		-		-		638		617		638		617	
Water		-		-		1,971		1,588		1,971		1,588	
Sewer		-		-		2,230		2,056		2,230		2,056	
Total Expenses		6,367		4,970		4,839		4,261		11,206		9,231	
TRANSFERS		(551)		292		551		(292)					
CHANGE IN NET POSITION		2,213		2,914		1,066		132		3,279		3,046	
BEGINNING NET POSITION		19,648		16,734		5,527		4,809		25,175		21,543	
RESTATEMENT		117				116				233			
ENDING NET POSITION	\$	21,978	\$	19,648	\$	6,709	\$	4,941	\$	28,687	\$	24,589	

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental activities increased the City of Pleasant Hill, Missouri's net position by \$2,211,479 from current year activity and increased in business-type activities by \$1,066,252 from current year activity, therefore, leading to a total current-year increase of \$3,277,731 in total net position.

Governmental Activities

Total charges for services decreased by a total of approximately \$20,451. Total grants and contributions increased by a total of approximately \$977,910. Tax revenues had a slight increase in all categories.

Expenses in the governmental activities increased from the prior year with a total increase of approximately \$1,396,784.

Business-Type Activities

Total charges for services increased by a total of \$668,852. Total expenses increased approximately \$578,461.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

The General Fund is the chief operating fund of the City of Pleasant Hill, Missouri. At the end of the current fiscal year, unassigned fund balance of the General Fund represented 94.32% of the General Fund \$3,551,863 fund balance. As a measure of the General Fund's liquidity, it may be useful to compare the total fund balance to total fund expenditures. Total fund balance represents 94% of the total General Fund expenditures of \$3,603,343.

The total fund balance in the City of Pleasant Hill, Missouri's General Fund increased by \$679,299 for the current fiscal year as total revenues and other financial sources exceeded total expenditures and other financial uses.

The Transportation Fund has a total fund balance of \$1,428,424. The net increase of \$245,993 was primarily due to an increase in tax revenues.

The Park Fund has a total fund balance of \$163,928. The net increase of \$10,396 was due to the increase in tax revenues.

The Debt Service Fund has a total fund balance of \$587,180, which is an increase of \$173,605 from the prior year.

The Capital Projects Fund has a total fund balance of \$224.994. The net decrease of \$87,097 was due to the on-going capital projects at the City.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (CONTINUED)

Governmental Funds (Continued)

The ARPA Fund has a total fund balance of \$0. This is due to revenue being recognized when expenditures are used.

The other nonmajor funds have a combined fund balance of \$1,376,969, which is a decrease of \$31,372 from the prior year.

Proprietary Fund

The City of Pleasant Hill, Missouri's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position in the proprietary fund at the end of the year amounted to \$3,067,356. This is up from the previous year's amount of \$387,855. Total net position in this fund increased by \$1,066,252 from current year operations. Other factors concerning the finances of this fund have already been addressed in the discussion of the City of Pleasant Hill, Missouri's business-type activities.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City of Pleasant Hill, Missouri's investment in capital assets for its governmental and business-type activities as of the end of the fiscal year was \$21,420,434 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and system improvements, machinery and equipment, park facilities, and roadway infrastructures.

The table listed below represents an approximate increase of \$1,423,000 from the previous year. This increase is attributable to fewer new capital projects at the City in the current year.

Additional information on the City's capital assets can be found in Note 6 of this report.

City of Pleasant Hill, Missouri Capital Assets

(in thousands of dollars)

	Governmental				Busines	ре						
		Activi	ities		Activities				Total			
		2024		2023	2024	2023		2024			2023	
Land	\$	1,055		1,055	\$ 285	\$	285	\$	1,340	\$	1,340	
Construction in Progress		125		70	864		-		989		70	
Equipment		2,635		2,527	409		457		3,044		2,984	
Buildings and Land Improvements		9,197		9,197	-		-		9,197		9,197	
Water and Sewer System		-		-	19,570		19,511		19,570		19,511	
Infrastructure		12,577		12,018	-		-		12,577		12,018	
Accumulated Depreciation		(10,351)		(9,679)	(14,943)		(14,386)		(25,294)		(24,065)	
Total	\$	15,238	\$	15,188	\$ 6,185	\$	5,867	\$	21,423	\$	21,055	

CITY OF PLEASANT HILL, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS MARCH 31, 2024

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Long-Term Debt

City of Pleasant Hill, Missouri Outstanding Debt

(in thousands of dollars)

		Govern	menta	al	Busines	s-Typ	e			
	Activ	ities			Activ	ities		To	tal	
		2024		2023	2024		2023	2024		2023
Finance Purchases	\$	21	\$	42	\$ -	\$	-	\$ 21	\$	42
Lease Liabilities, Net		42		57	-		-	42		57
General Obligation Bonds		740		1,470	-		-	740		1,470
Revenue Bonds		-		-	755		1,090	755		1,090
2023 Sewer Bonds		-		-	2,000		-	2,000		-
Notes Payable		20		20	43		57	63		77
Certificates of Participation		1,480		1,600	-		-	1,480		1,600
Total	\$	2,303	\$	3,189	\$ 2,798	\$	1,147	\$ 5,102	\$	4,336

At the end of the current fiscal year, the City of Pleasant Hill, Missouri, had total long-term debt outstanding of \$5,081,624.

Additional information on the City's long-term debt can be found in Note 7 of this report.

ECONOMIC FACTORS, NEXT YEAR'S BUDGET, AND RATES

General Fund revenues for fiscal year 2025 are projected to total \$3,768,548. This represents a 5.70% decrease from the prior year revenue estimates. All fund total revenues excluding transfers is a 13.70% decrease over the prior year revenue estimates. The decrease is partially due to proceeds we received for the 2023 Water/Sewer Revenue bond in fiscal year 2024. An 8.4% growth in property tax is anticipated for this fiscal year, due to it being a reassessment year. Sales tax is projected to be 1% increase from fiscal year 2024. New residential construction is expected to continue, albeit not at the same rate as in past years due to the diminishing availability of platted but undeveloped lots. Residential construction has a positive impact on the Water/Sewer Fund, General Fund, and Excise Tax Fund, which receive fees from each new home construction. Many other revenue sources will remain the same over the prior year's budget.

General Fund budgeted expenditures are projected to total \$3,985,299 compared to \$3,437,554 budgeted in fiscal year 2024. The numbers above include transfers to other funds. This represents a 15.9% increase from the prior year beginning budget. The transfers out to other funds are projected to total \$95,000 as compared to a fiscal year 2024 expense projection of \$57,000.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Pleasant Hill, Missouri's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Pleasant Hill, Missouri, 203 Paul Street, Pleasant Hill, Missouri 64080.

CITY OF PLEASANT HILL, MISSOURI STATEMENT OF NET POSITION MARCH 31, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 4,781,480	\$ 1,026,925	\$ 5,808,405
Receivables:			
Taxes	507,112	-	507,112
Unbilled Revenue	-	148,823	148,823
Receivables, Net	-	503,432	503,432
Internal Balances	313,642	(313,642)	-
Due from Other Governments	90,769	-	90,769
Prepaid Items	119,337	88,802	208,139
Restricted Assets:			
Cash and Cash Equivalents	1,619,005	2,239,499	3,858,504
Taxes Receivable	214,205	-	214,205
Capital Assets:			
Land	1,054,546	284,836	1,339,382
Construction in Progress	124,589	863,767	988,356
Equipment	2,634,482	408,602	3,043,084
Buildings and Land Improvements	9,197,196	-	9,197,196
Water and Sewer System	-	19,570,085	19,570,085
Infrastructure	12,577,276	-	12,577,276
Accumulated Depreciation	(10,351,494)	(14,943,451)	(25,294,945)
Right-to-Use Asset, Net of Accumulated Amortization	40,721	-	40,721
Net Pension Asset	1,249,798_	43,127	1,292,925
Total Assets	24,172,664	9,920,805	34,093,469
DEFERRED OUTFLOWS OF RESOURCES			
Resources to be Recognized in Future Pension Expense	926,300	118,290	1,044,590
Resources to be Recognized in Future OPEB Expense	64,950	800	65,750
Total Deferred Outflows of Resources	991,250	119,090	1,110,340
Total Assets and Deferred Outflows of Resources	\$ 25,163,914	\$ 10,039,895	\$ 35,203,809

CITY OF PLEASANT HILL, MISSOURI STATEMENT OF NET POSITION (CONTINUED) MARCH 31, 2024

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	\$ 151,972	\$ 218,170	\$ 370,142
Accrued Expenses	67,163	7,316	74,479
Accrued Interest Payable	28,359	7,418	35,777
Customer Deposits	1,400	239,499	240,899
Unearned Revenue	257,412		257,412
Lease Liability - Short-Term	10,313	_	10,313
Current Portion of Long-Term Debt	1,024,943	407,651	1,432,594
Total Current Liabilities	1,541,562	880,054	2,421,616
LONG-TERM LIABILITIES			
Total OPEB Liability	53,457	397	53,854
Lease Liability - Long-Term	31,556	-	31,556
Long-Term Debt, Net of Current Maturities	1,383,987	2,435,402	3,819,389
Total Long-Term Liabilities	1,469,000	2,435,799	3,904,799
		_, ,	
Total Liabilities	3,010,562	3,315,853	6,326,415
DEFERRED INFLOWS OF RESOURCES			
Resources to be Recognized in Future OPEB Expense	96,401	1,408	97,809
Resources to be Recognized in Future Pension Expense	68,992	12,585	81,577
Deferred Gain on Refunding	11,020	-	11,020
Total Deferred Inflows of Resources	176,413	13,993	190,406
Total Liabilities and Deferred Inflows of Resources	3,186,975	3,329,846	6,516,821
NET POSITION			
Net Investment in Capital Assets	12,954,057	3,360,067	16,314,124
Restricted for:			
Court Bonds	611	-	611
Debt Service	558,821	-	558,821
Capital Projects	1,332,690	-	1,332,690
Customer Deposits	-	239,499	239,499
Net Pension Asset	1,249,798	43,127	1,292,925
Unrestricted	5,880,962	3,067,356	8,948,318_
Total Net Position	21,976,939	6,710,049	28,686,988
Total Liabilities, Deferred Inflows of Resources,			
and Net Position	\$ 25,163,914	\$ 10,039,895	\$ 35,203,809

CITY OF PLEASANT HILL, MISSOURI STATEMENT OF ACTIVITIES YEAR ENDED MARCH 31, 2024

			Program Revenues		Net (Net (Expense) Revenue and Changes in Net Position	and	
		Charges for	Operating Grants and	Capital Grants and		Primary Government Business-Type		
FUNCTIONS/PROGRAMS Primary Government	Expenses	Services	Contributions	Contributions	Activities	Activities		Total
Soverimental Activities. Administration Police	\$ 2,270,537	\$ 139,546	\$ 1,331,611		(799,380)		\$	(799,380)
Transportation	060'666	3,425	216,721	ı	(778,944)	•		(778,944)
Codes Recreation	140,830 932,446	1,243 252,713	125	- 85,805	(139,462) (593,928)	1 1		(139,462) (593,928)
Special Events	263,862	213,749	2,287	ı	(47,826)	1		(47,826)
Debt Interest and Agent Fees ARPA	80,433 193,234	1 1	1 1	1 1	(80,433) (193,234 <u>)</u>			(80,433) $(193,234)$
Total Governmental Activities	6,366,670	757,742	1,562,822	85,805	(3,960,301)	•		(3,960,301)
Business-Type Activities: Trash	637,791	778,492	•		•	140,701		140,701
Water	1,971,393	2,162,300	1	1	1	190,907		190,907
Sewer Total Business-Tvpe Activities	2,230,118	2,413,281		1 1		183,163		183,163
Total Primary Government	\$ 11,205,972	\$ 6,111,815	\$ 1,562,822	\$ 85,805	(3,960,301)	514,771		(3,445,530)
GENERAL REVENUES AND TRANSFERS								
Taxes:					0000			777
Sales Tax Property Tax					7,469,744			2,469,744 1,929,900
Fuel and Vehicle Tax					448,463	•		448,463
Other Tax					59,099	•		59,099
PILOT Payments					201,366	•		201,366
Franchise Fees Interest and Invastment Farnings					959,007			959,007 478 141
Insurance Rebates					70,083	•		70,083
Miscellaneous					107,458			107,458
I ransfers In (Out) Total General Revenues and Transfers	ers				(551,481) 6,171,780	551,481 551,481		6,723,261

CHANGE IN NET POSITION

Net Position - Beginning of Year Prior Period Adjustment Net Position - Beginning of Year, as Restated

NET POSITION - END OF YEAR

25,175,305 233,952 25,409,257

5,527,154 116,643 5,643,797

19,648,151 117,309 19,765,460

28,686,988

6,710,049

21,976,939

3,277,731

1,066,252

2,211,479

CITY OF PLEASANT HILL, MISSOURI BALANCE SHEET GOVERNMENTAL FUNDS MARCH 31, 2024

	99 H	General Fund	Tra	Transportation Fund		Park Fund		ARPA		Debt Service Fund		Capital Projects Fund	Gove	Other Governmental Funds		Total
ASSETS																
Cash and Cash Equivalents Taxes Receivable Due from Other Funds Prepaid Items Restricted Taxes Receivable Restricted Grant Receivable Restricted Cash and Cash Equivalents	\$	2,800,812 345,310 344,417 60,713	↔	1,245,911 142,944 - 46,407	↔	2,151	₩	280,056	↔	- 10,300 576,880	↔	- - - 90,769 165,000	↔	287,290 16,707 2,133 203,906 - 876,514	↔	4,781,480 507,112 344,417 119,337 214,206 90,769 1,619,005
Total Assets	დ \$	3,551,863	છ	1,435,262	S	179,646	↔	280,056	∨	587,180	ઝ	255,769	↔	1,386,550	s	7,676,326
LIABILITIES AND FUND BALANCES																
LIABILITIES Account Payable Due to Other Funds	↔	108,096	↔	5,567	⇔	7,952	↔	22,644	∨		⇔	30,775	↔	9,112	↔	153,371 30,775 257,412
Accrued Expenses Total Liabilities		57,657 165,753		1,271		7,766		280,056		1 1		30,775		469 9,581		67,163 508,721
FUND BALANCES Nonspendable Restricted		60,713		46,407		10,084		1 1		587,180		255,769		2,133		119,337
Assigned Unassigned	က	131,124 3,193,662		1,382,017		153,844		1 1				- (30,775)		297,915		1,964,900 3,162,887
Total Fund Balances	8	3,386,110		1,428,424		163,928		1		587,180		224,994		1,376,969		7,167,605
Total Liabilities and Fund Balances	e \$	3,551,863	↔	1,435,262	S	179,646	ઝ	280,056	\$	587,180	s	255,769	\$	1,386,550	↔	7,676,326

CITY OF PLEASANT HILL, MISSOURI RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION MARCH 31, 2024

Total Fund Balance - Total Governmental Funds	\$ 7,167,605
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	15,236,595
Right-to-Use Assets, net of accumulated amortization, used in governmental activities are not financial resources, and therefore, are not reported in governmental funds.	40,721
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(2,312,239)
Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.	(28,359)
Deferred Inflow of resources, related to the deferred gain on refunding, does not apply to the current period and, therefore, are not reported in the fund level financial statements.	(11,021)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the fund level financial statements.	(138,561)
The effects of GASB 75 to record the net postemployment benefit obligation and related deferred outflows of resources are not reflected in the fund financial statements.	
Total OPEB Liability	(53,457)
Deferred Outflows of Resources to be Recognized in Future OPEB Expense	64,950
Deferred Inflow of Resources to be Recognized in Future OPEB Expense	(96,401)
The effects of GASB 68 to record the net pension asset/liability and related deferred outflows of resources are not reflected in the fund financial statements.	
Net Pension Asset	1,249,798
Deferred Outflows of Resources to be Recognized in Future Pension Expense	926,300
Deferred Inflows of Resources to be Recognized in Future Pension Expense	 (68,992)
Net Position of Governmental Activities	\$ 21,976,939

CITY OF PLEASANT HILL, MISSOURI STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS

GOVERNMEN I AL FUNDS YEAR ENDED MARCH 31, 2024

	General Fund	Transp	Transportation Fund		Park Fund	ARPA Fund		Debt Service Fund	 	Capital Projects Fund	Other Governmental Funds	ental	·	Total
REVENUES Sales Tax Property Tax	\$ 939,662 545,947	↔	423,931 204,031	8	108,318	↔	1 1	\$ - 962,865	- rč		\$ 1,106	1,106,151 108,739	↔	2,469,744 1,929,900
Fuel and Vehicle Tax Other Tax	- 17,511		448,463 7,463		1 1		1 1		1 1	1 1	%	34.125		448,463 59.099
PILOT Payments	201,366) '		ı		1		1	1)) ' !		201,366
Franchise Fees License and Permits	959,007 125,696		1 1		9,294					1 1		1,243		959,007 136,233
Charges for Services			1		243,419						21,	211,346		454,765
Intergovernmental Revenue	5,290		215,749		1					85,805		•		306,844
rilles and Court Costs Insurance Rebates and Proceeds	70,083													70,083
Grants and Donations	62,923		5,225		0	1,233,485	485			•	7	4,815		1,306,448
Interest Other	478,141 134.256		3.425		3.706							٠ -		141,388
Total Revenues	3,701,993		1,308,287		364,737	1,233,485	485	962,865	55	85,805	1,466	1,466,420		9,123,592
EXPENDITURES Current:														
Administration	2,074,325		ı		1	369,718	718		1	•		~		2,444,044
Police Transportation	2/9,LTC,T -		-692.413											1,511,6 <i>7</i> 2 692.413
Codes	ı								ı	1	146	146,189		146,189
Recreation	ı		1		710,626		ı		1	1		3,118		713,744
Special Events Capital Outlav	1 1		- 497.941		14.680					172.902	26: 16:	263,859 162,717		263,859 848,240
Debt Principal	17,346		1		ı		1	850,000	0	'	, 22 <u></u>	20,392		887,738
Debt Interest and Agent Fees Total Expenditures	3,603,343	1	,190,354		725,306	369,718	718	71,360 921,360		172,902	369	2,028 598,304		7,581,287
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	98,650		117,933		(360,569)	863,767	191	41,505	5	(87,097)	398	868,116		1,542,305
OTHER FINANCING SOURCES (USES) Transfers In	686,407		175,700		385,600			168,000	0	•	5.	57,200		1,472,907
Transfers Out Total Other Financial Sources (Uses)	(105,758) 580,649		(47,640) 128,060		(14,635) 370,965	(863,767) (863,767)	<u>767)</u> 767)	(35,900) 132,100)68) (89)	956,688) 899,488)		$\frac{2,024,388)}{(551,481)}$
NET CHANGE IN FUND BALANCES	679,299		245,993		10,396		ı	173,605	15	(87,097)	(3.	(31,372)		990,824
Fund Balance - Beginning of Year	2,632,946	₩.	1,171,775		144,530			413,575	ξ	298,168	1,398	1,398,478		6,059,472
Total Beginning Fund Balance, As Restated	2,706,811		,182,431		3,002 153,532		' - -	413,575	2 2	312,091	1,408	1,408,341		6,176,781
FUND BALANCE - END OF YEAR	\$ 3,386,110	\$,428,424	S	163,928	\$	·	\$ 587,180	& 0	224,994	\$ 1,376	1,376,969	S	7,167,605

See accompanying Notes to Financial Statements.

CITY OF PLEASANT HILL, MISSOURI RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES YEAR ENDED MARCH 31, 2024

Net Change in Fund Balances - Total Governmental Funds	\$ 990,824
Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense Capital Asset Additions	762,464
Capital Asset Adjustments Current Year Depreciation Current Year Amortization	(2,401) (712,256) (15,931)
The issuance of long-term debt (e.g., bonds, loans, leases) provides current financial resources to governmental funds, which the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also governmental funds report the effect of issuance premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.	
Activities. Amortization of Premium Principal Payments Financed Purchases Lease Payments Direct Financing	2,069 850,000 20,392 17,346 20,000
Current year net change in deferred gain on refunding	1,102
Accrued interest on long-term debt is not reflected in the fund financial statements, but recognized as an expenditure when paid.	(12,816)
Compensated absences in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(3,476)
Current year net change in other postemployment benefits (OPEB) obligation	20,545
Current year net change in other postemployment benefits (OPEB) deferred outflow	6,868
Current year net change in other postemployment benefits (OPEB) deferred inflow	(27,667)
Current year net change in deferred pension outflows	636,264
Current year net change in net pension asset/liability	(919,193)
Current year net change in deferred pension inflows	 577,345
Change in Net Position of Governmental Activities	\$ 2,211,479

CITY OF PLEASANT HILL, MISSOURI STATEMENT OF NET POSITION PROPRIETARY FUNDS MARCH 31, 2024

ASSETS

CURRENT ASSETS	
Cash and Cash Equivalents	\$ 1,026,925
Prepaid Items	88,802
Receivables, Net of Allowance for Doubtful Accounts:	
Unbilled Revenue	148,823
Accounts	503,432
Total Current Assets	1,767,982
RESTRICTED ASSETS	
Cash and Cash Equivalents	2,239,499
NONCURRENT ASSETS	
Capital Assets:	
Land	284,836
Construction in Progress	863,767
Equipment	408,602
Water and Sewer System	19,570,085
Total	21,127,290
Less: Accumulated Depreciation	(14,943,451)
Total Capital Assets, Net	6,183,839
Net Pension Asset	43,127
Total Noncurrent Assets	6,226,966
Total Assets	10,234,447
DEFERRED OUTFLOWS OF RESOURCES	
Resources to be Recognized in Future Pension Expense	118,290
Resources to be Recognized in Future OPEB Expense	800
Total Deferred Outflows of Resources	119,090
Total Assets and Deferred Outflows of Resources	\$ 10,353,537

CITY OF PLEASANT HILL, MISSOURI STATEMENT OF NET POSITION (CONTINUED) PROPRIETARY FUNDS MARCH 31, 2024

LIABILITIES

CURRENT LIABILITIES		
Accounts Payable	\$ 218,17	0
Due to Other Funds	313,64	2
Accrued Expenses	7,31	6
Accrued Interest Payable	7,41	8
Customer Deposits	239,49	9
Current Portion of Long-Term Debt	407,65	1_
Total Current Liabilities	1,193,69	6
NONCURRENT LIABILITIES		
Net OPEB Liability	39	7
Long-Term Debt, Net of Current Portion	2,435,40	2
Total Noncurrent Liabilities	2,435,79	9
Total Liabilities	3,629,49	5
DEFERRED INFLOWS OF RESOURCES		
Resources to be Recognized in OPEB Expense	1,40	8
Resources to be Recognized in Future Pension Expense	12,58	5_
Total Deferred Inflows of Resources	13,99	3
Total Liabilities and Deferred Inflows of Resources	3,643,48	8_
NET POSITION		
Net Investment in Capital Assets	3,360,06	7
Restricted for:		
Customer Deposits	239,49	9
Pension Asset	43,12	7
Unrestricted	3,067,35	6_
Total Net Position	\$ 6,710,04	9

CITY OF PLEASANT HILL, MISSOURI STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS YEAR ENDED MARCH 31, 2024

OPERATING REVENUES	
User Charges - Water	\$ 2,083,261
User Charges - Sewer	2,413,281
User Charges - Trash	778,492
Penalties	53,559
Miscellaneous	25,480
Total Operating Revenues	 5,354,073
OPERATING EXPENSES	
MBC Customer Fees	1,767,550
Water Pumping Expenses	850,965
Trash Collection Fees	639,159
Salaries	257,663
Payroll Taxes	18,796
Health and Life Insurance	41,872
Pension Expense	2,907
Supplies and Materials	39,747
Repairs and Maintenance	301,880
Insurance	22,015
Utilities	2,404
Professional Services	108,054
Depreciation and Amortization	582,263
Bad Debts	29,631
Other Expenses	 102,347
Total Operating Expenses	 4,767,253
OPERATING INCOME	586,820
NONOPERATING REVENUES (EXPENSES)	
Transfers In	864,667
Transfers Out	(313,186)
Interest Expense	 (72,049)
Total Nonoperating Revenues (Expenses)	 479,432
CHANGE IN NET POSITION	1,066,252
Net Position - Beginning of Year	5,527,154
Prior Period Adjustment	 116,643
Total Beginning Net Position, As Restated	5,643,797
NET POSITION - END OF YEAR	\$ 6,710,049

CITY OF PLEASANT HILL, MISSOURI STATEMENT OF CASH FLOWS PROPRIETARY FUNDS YEAR ENDED MARCH 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 5,276,610
Cash Payments for Materials and Services	(3,940,444)
Cash Payments to Personnel	 (371,569)
Net Cash Provided by Operating Activities	964,597
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from Other Funds	864,667
Transfers to Other Funds	(313,186)
Net Cash Provided by Noncapital Financing Activities	551,481
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Cash Paid for Acquisition and Construction of Capital Assets	(782,841)
Cash Received from New Long-Term Debt	2,059,671
Cash Paid for Interest on Long-Term Debt	(72,049)
Cash Paid for Principal Payments on Long-Term Debt	(348,780)
Net Cash Provided by Capital and Related Financing Activities	 856,001
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,372,079
Cash and Cash Equivalents - Beginning of Year	 894,345
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 3,266,424

CITY OF PLEASANT HILL, MISSOURI STATEMENT OF CASH FLOWS (CONTINUED) PROPRIETARY FUNDS YEAR ENDED MARCH 31, 2024

ALLOCATION OF CASH AND CASH EQUIVALENTS		
Unrestricted	\$	1,026,925
Restricted		2,239,499
Total Allocation of Cash and Cash Equivalents	\$	3,266,424
RECONCILIATION OF OPERATING INCOME TO NET CASH		
PROVIDED BY OPERATING ACTIVITIES		
Operating Income	\$	586,820
Adjustments to Reconcile Operating Income to Net Cash		
Provided by Operating Activities:		
Depreciation and Amortization		582,263
Increase in Accounts Receivable		(90,969)
Increase in Prepaid Items		(74,008)
Decrease in Inventory		77,198
Increase in Net Pension Asset/Liability		109,470
Increase in Deferred Outflows Related to Net Pension Asset		(88,212)
Increase in Deferred Inflows Related to Net Pension Asset		(68,653)
Increase in Net OPEB Liability		(2,636)
Increase in Deferred Outflows Related to Net OPEB Liability		3,934
Increase in Deferred Inflows Related to Net OPEB Liability		(4,234)
Decrease in Accounts Payable		(93,765)
Decrease in Accrued Interest		(394)
Increase in Meter Deposits		13,900
Non-Cash Long-Term Additions		13,883
Total Adjustments		377,777
Net Cash Provided by Operating Activities	<u>\$</u>	964,597

CITY OF PLEASANT HILL, MISSOURI STATEMENT OF FIDUCIARY NET POSITION CUSTODIAL FUND FOR THE YEAR ENDED MARCH 31, 2024

	SI	Show Me				
ASSETS Cash and Cash Equivalents	\$	18,816				
LIABILITIES Accounts Payable		18,816				
NET POSITION Restricted for: Individuals, Organizations, and Other Governments	_\$					

CITY OF PLEASANT HILL, MISSOURI STATEMENT OF CHANGES IN FIDUCIARY NET POSITION CUSTODIAL FUND MARCH 31, 2024

FIDUCIARY NET POSITION - END OF YEAR	\$ _
Fiduciary Net Position - Beginning of Year	_
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	-
DEDUCTIONS Municipal Bond Expense	 35,902
ADDITIONS Municipal Bond Revenue	\$ 35,902

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The City of Pleasant Hill, Missouri (the City) is a Special Charter City that operates under Missouri State Statutes and is governed by an elected city council and an elected mayor. The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The City of Pleasant Hill, Missouri provides a range of municipal services, including general government administration, police service, recreation, street maintenance, and contracts for waterworks and sewerage.

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*; as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. For financial reporting purposes, the City includes all funds, agencies, boards, commissions, and authorities that are controlled by or dependent on the City.

Government-Wide Financial Statements

The statement of net position and statement of activities report information on the City as a whole. They include all funds of the City. The effects of interfund activity have been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental receipts, 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 disbursements of a given function or segment are offset by program receipts. Direct disbursements are those that are clearly identifiable with a specific function or segment. Program receipts include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general receipts. The City does not allocate indirect costs.

Fund Financial Statements

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 a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues or receipts, and expenditures or expenses, as appropriate. Government resources are allocated to, and accounted for, in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (Continued)

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. GASB Statement No. 34 sets forth minimum criteria for the determination of major funds, which should have a specific community focus.

The funds of the City are described below:

Governmental Fund Types

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities (other than those in proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position. The following are the City's major governmental fund types:

General Fund

The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Transportation Fund

The transportation fund is used to account for the proceeds of specific revenue sources that are legally restricted, committed, or assigned to expenditures for the specified purpose of expanding and maintaining the local infrastructure.

Park Fund

The park fund is used to account for the proceeds of specific revenue sources that are legally restricted, committed, or assigned to expenditures for the specified purpose of expanding and maintaining the local parks and other community areas.

Debt Service Fund

The debt service fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs other than bonds payable from the operations of the enterprise funds.

Capital Projects Funds

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

ARPA Fund

The ARPA fund consists of funding received under the American Rescue Plan Act of 2021. As of March 31, 2024, these funds are considered unearned revenue.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (Continued)

Proprietary Fund Type

The proprietary fund is 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 based upon determination of net income.

The water, trash, and sewer fund accounts 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 (expenses including depreciation) of providing water, trash, and sewer services on a continuing basis be financed or recovered primarily through user charges in which the periodic determination of net income or loss is deemed appropriate.

Fiduciary Funds

Custodial funds are used to report fiduciary actives that are not required to be reported in pension or OPEB trust funds, investment trust funds, or private purpose trust funds. The City's Show Me fund was established after the Statewide Court Automation Fund was created in the Missouri treasury under a statewide mandate passed in September of 2021. All moneys collected by the City pursuant to section 488.027, as well as gifts, contributions, devises, bequests, and grants received relating to automation of judicial record keeping, and moneys received by the judicial system for the dissemination of information and sales of publications developed relating to automation of judicial record keeping, shall be credited to the 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 statements. 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.

Government fund level financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grant revenues' availability period is generally considered to be one year.

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 the liability has matured and payment is due.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

Business-type activities and all proprietary funds are accounted for on a flow of economic resources measurement focus and accrual basis. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary fund are charges to customers for sales and services. Operating expenses for the proprietary fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Cash and Investments

Cash consists of amounts in demand deposits, savings accounts, and money market accounts. The City considers all highly liquid investments maturing within three months to be cash equivalents. Cash balances are held in certificates of deposit as determined appropriate by management.

The City is authorized to invest in U.S. Treasury obligations, U.S. government agency securities and instruments of government-sponsored corporations, certificates of deposit at commercial banks and S & L associations and repurchase agreements. Investments are reported at fair value.

Prepaids and Inventories

Prepaid balances are for payments made by the City in the current year to provide services occurring in the subsequent fiscal year, and the reserve for prepaid items has been recognized to signify that a portion of fund balance is not available for other subsequent expenditures. Prepaid expenses are accounted for using the consumption method.

Inventories, consisting of materials and supplies, are valued at lower of cost or market. Cost is determined using estimated replacement cost basis which approximates actual cost.

Receivables

The City of Pleasant Hill, Missouri recognizes receivables in its various funds based on the accounting basis required for that fund. Allowances are provided for possible uncollectible accounts.

Restricted Assets

Certain proceeds of special revenue funds and from the enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources

The City reports increases and decreases in net position that relate to future periods as deferred outflows/inflows of resources in a separate section of the government-wide and proprietary fund statements of net position. The City has several calculations related to its pension and OPEB plans that qualify for reporting in these categories.

Capital Assets

Under GASB Statement No. 34, all capital assets, whether owned by governmental activities or business-type activities, are recorded and depreciated in the government-wide financial statements. Under GASB Statement No. 34, small cities have the option to capitalize infrastructure purchased in previous years. The City of Pleasant Hill, Missouri has chosen not to capitalize existing infrastructure but will capitalize any future infrastructure that it acquires. No long-term capital assets or depreciation are shown in the governmental funds financial statements.

Capital assets, including public domain infrastructure (e.g., roads, bridges, sidewalks, and other assets that are immovable and of value only to the City) are defined as assets with an individual cost of more than \$5,000 and an estimated useful life greater than one year. Donated fixed assets are valued at their estimated acquisition value on the date donated.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

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

Equipment	5 to 30 Years
Buildings and Land Improvements	7 to 50 Years
Infrastructure	10 to 50 Years
Water and Sewer System	10 to 50 Years

Capital assets transferred between funds are transferred at their net book value (cost less accumulated depreciation), as of the date of the transfer.

Leases

For lease contracts for which the City is the lessor, the City determines if an arrangement is a lease at inception. Leases in excess of 12 months are included in lease receivables and deferred inflows of resources in the statement of net position when the City is the lessor, and as right-to-use assets and lease liabilities when the City is the lessee.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

Lessor

Lease receivables represent the City's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the least term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term.

Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term. Amounts to be received under residual value guarantees that are not fixed in substance are recognized as a receivable and an inflow of resources if (a) a guarantee payment is required, and (b) the amount can be reasonable estimated. Amounts received for the exercise price of a purchase option or penalty for lease termination are recognized as a receivable and an inflow of resources when those options are exercised.

Lessee

Right-to-use assets represent the City's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Right-to-use assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the least term and certain direct costs. Right-to-use assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the City's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the City will exercise that option.

The City accounts for contracts containing both lease and nonlease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and nonlease components, and it is impractical to eliminate the price of such components, the City treats the components as a single lease unit.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

All full-time employees and part-time employees working more than 1,040 hours per year shall be allowed annual vacation leave with pay. Vacation leave shall be granted on the basis of the employee's continuous employment tenure and whether the employee is classified as full-time or part-time. Employees are allowed to carry over accrued vacation time to the following calendar year. Employees are encouraged to make every attempt to utilize any leftover accrued vacation time in the following calendar year. However, there is not a maximum limit that an employee can carry over.

All full-time employees may accumulate sick leave up to a maximum of 480 hours. Upon retirement or termination in good standing, an employee may convert unused sick leave to vacation leave at the rate of eight hours sick leave to one-hour vacation leave.

In addition, employees can accumulate compensatory time off based on different factors. The maximum compensatory time can accumulate up to 30 hours and is payable upon termination from employment.

Unused vacation, sick, and compensatory pay as of March 31, 2024, is accrued as a liability for the proprietary fund and also on the government-wide statement of net position.

Long-Term Debt

In the government-wide and proprietary fund financial statements, outstanding debt is reported as liabilities. The governmental fund financial statements recognize the proceeds and payments of debt as other financing sources and uses of the current period. Issuance costs are reported as expenditures.

Fund Equity

Government-Wide Statements

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

Net Investment in capital assets consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position consists of net assets with constraints placed on the use either by external groups — such as creditors, granters, contributors, or laws and regulations of other governments — or through constitutional provision or enabling legislation. It is the City's policy to use restricted net assets first, prior to the use of unrestricted net assets, when a disbursement is paid for purposes in which both restricted and unrestricted net assets are available.

Unrestricted net position does not meet the definition of "restricted" or "invested in capital assets, net of related debt."

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity (Continued)

Fund Financial Statements

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable

This classification includes amounts that cannot be spent because they either (a) are not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted

This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), granters, contributors, or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed

This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council. These amounts cannot be used for any other purpose unless the council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The City currently has no amounts classified in this category.

Assigned

This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council or through the council delegating this responsibility to the City administrator through the budgetary process.

Unassigned

This classification includes the residual fund balance for the general fund.

The City would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Interfund Transactions

During the course of normal operations, the City has transactions between funds, including expenditures and transfers of resources, to provide services and construct assets. Legally authorized transfers are treated as operating transfers and are included in the results of operations of both governmental and proprietary funds.

Adoption of New Accounting Standards

In May, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.

The City adopted the requirements of the guidance effective April 1, 2023, and has applied the provisions of this standard to the beginning of the period of adoption. The implementation of this standard had no impact on the City of Pleasant Hill.

Subsequent Events

In fiscal year 2025, the City has an issuance of General Obligation Bonds, Series 2024 for the amount of \$16,000,000 that was dated June 12, 2024.

Prior Period Adjustment

In prior year, accounts payable in the governmental activities, business-type activities, major fund and the aggregate remaining funds was overstated due to not reversing out prior year accruals. The following increases to fund balance/net position correct this prior year overstatement of liabilities.

	G	overnmental Activities	Business-Type Activities and Enterprise Fund		General Fund	Transportation Fund		Park Fund	Capital Project Fund	Aggregate Remaining Fund
Fund Balance/Net Position, March 31, 2023 Correct Prior Year Payables	\$	19,648,151	\$	5,527,154	\$ 2,632,946	\$	1,171,775	\$ 144,530	\$ 298,168	\$ 1,398,478
and Fund Balance		117,309		116,643	73,865		10,656	9,002	13,923	9,863
Fund Balance/Net Position, March 31, 2023 as Restated	\$	19,765,460	\$	5,643,797	\$ 2,706,811	\$	1,182,431	\$ 153,532	\$ 312,091	\$ 1,408,341

NOTE 2 RESTRICTED ASSETS

The revenue bond ordinance authorizing the revenue bond issue established certain deposit requirements for bond and interest sinking funds, reserve funds, and depreciation and replacement funds. At March 31, 2024, the required deposits had been met.

The proprietary fund's restricted assets are stated at cost and are composed of the following at March 31, 2024:

	Bu	Business-Type			
		Activities			
Meter Deposits	\$	239,499			
Net Pension Asset		43,127			
	\$	282,626			

The governmental fund's restricted assets are stated at cost and are composed of the following at March 31, 2024:

	Governm Activiti	
Court Bonds	\$	611
Debt Service	587	7,180
Capital Projects	259	5,769
Non-Major Funds	1,080	0,420
Total	\$ 1,923	3,980

NOTE 3 CASH AND INVESTMENTS

The City may purchase any investments allowed by the state treasurer. These include (a) obligations of the United States government or any agency or instrumentality thereof maturing and becoming payable not more than three years from the date of purchase, or (b) repurchase agreements maturing and becoming payable within 90 days secured by the U.S. Treasury obligations or obligations of U.S. government agencies or instrumentalities of any maturity, as provided by law.

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

For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand and all cash and investments with an original maturity of three months or less. As of March 31, 2024, the City held \$9,659,073 at various banking institutions and had a book balance of \$9,510,582.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City does not have a formal policy for interest rate risk. However, the City does manage its exposure to fair value loss arising from interest rate changes on internally invested funds by reviewing the portfolio on an ongoing basis for changes in effective yield amounts.

Custodial Credit Risk – The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The City's policy is to collateralize bank deposits with securities held by the financial institution's agent and in the City's name. As of March 31, 2024, all of the City's deposits with financial institutions were fully insured or collateralized by securities held in the City's name in the form of joint safekeeping receipts.

Concentration of Credit Risk – The City places no limit on the amount it may invest in any one issuer.

Fair Value Measurements – In determining fair value, the City uses various valuation approaches within GASB Statement No. 72, *Fair Value Measurement and Application*. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability. The City does not currently hold investments; therefore, the above measurement does not apply for the year ended March 31, 2024.

NOTE 4 RECEIVABLES

Taxes receivable include sales, property, and franchise taxes.

Accounts receivable in the proprietary fund reflect customer accounts receivable which have been billed by year-end and also for unbilled revenue for services rendered prior to year-end but billed in the next fiscal year.

As of March 31, 2024, the City had recorded an allowance for doubtful accounts totaling \$200,051.

NOTE 5 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; workers' compensation; and natural disasters. The City has a member representative on MPR (formerly MARCIT), a nonprofit corporation consisting of governmental entities, incorporated in 1984 to acquire insurance for its members. MPR operates as a purchasing pool and is not a joint venture activity of the City. The City has no control over budgeting, financing, management selection, or the governing body. MPR provides both conventional and self-insurance coverage for its members including medical, dental, property, casualty, general liability, and workers' compensation.

The City participates in medical, dental, property, casualty, general liability, and workers' compensation insurance coverages. MPR manages the cash and investment pool, funded by insurance premiums, on behalf of its members. MPR's investment pool consists of interest-bearing deposits, U.S. Treasury STRIPS, U.S. governmental agency obligations, and collateralized mortgage obligations.

In the event that a deficit occurs with respect to any fiscal year of MPR for which the City was a participant at any time during the year; and in the event that MPR determines that an assessment is required in order to provide additional funds for the obligations of MPR for such year; and further, in the event that the City was covered by the types of benefits requiring the assessment during the time period in which the assessment arose, the City is obligated to pay its pro rata share of any such assessment. MPR was not in a deficit situation during the past year. MPR's financial statements are presented in its Comprehensive Annual Financial Report. There have been no significant reductions in insurance coverage from the prior year and no significant losses in the past three fiscal years.

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2024 was as follows:

Governmental Activities	April 1, 2023			ncreases	D	ecreases	Balance March 31, 2024	
Capital Assets, Not Being	-							
Depreciated:								
Construction in Progress	\$	69,917	\$	54,672	\$	_	\$	124,589
Land		1,055,046		-		500		1,054,546
Total Capital Assets, Not								
Being Depreciated		1,124,963		54,672		500		1,179,135
Capital Assets, Being Depreciated:								
Equipment		2,525,593		148,774		39,885		2,634,482
Building and Land								
Improvements		9,197,196		-		-		9,197,196
Infrastructure		12,018,258		559,018		_		12,577,276
Total Capital Assets,								
Being Depreciated		23,741,047		707,792		39,885		24,408,954
Less: Accumulated								
Depreciation for:								
Equipment		1,994,616		72,187		39,885		2,026,918
Building and Land								
Improvements		4,512,628		279,745		-		4,792,373
Infrastructure		3,171,879		360,324		-		3,532,203
Total Accumulated								
Depreciation		9,679,123		712,256		39,885		10,351,494
Governmental Activities,								
Capital Assets, Net	\$	15,186,887	\$	50,208	\$	500	\$	15,236,595
Intangible Right-to-Use Assets:								
Leased Equipment	\$	104,114	\$	-	\$	50,724	\$	53,390
Less: Accumulated Amortization		47,461		15,931		50,723		12,669
Net intangible Right-to-Use Assets	\$	56,653	\$	(15,931)	\$	101,447	\$	40,721

NOTE 6 CAPITAL ASSETS (CONTINUED)

Business-Type Activities		Balance April 1, 2023	ncreases	De	ecreases	Balance March 31, 2024		
Capital Assets, Not Being	-	2020		icicascs		Cicases		2024
Depreciated:								
Land	\$	284,836	\$	_	\$	_	\$	284,836
Construction in Progress	Ψ	204,000	Ψ	863,767	Ψ		Ψ	863,767
Constituction in Frogress		_		003,707		-		003,707
Capital Assets, Being Depreciated:								
Equipment		457,297		-		48,695		408,602
Water and Sewer System		19,510,658	84,412		24,985		19,570,085	
Total Capital Assets,		•						
Being Depreciated		19,967,955		84,412		73,680		19,978,687
Less: Accumulated								
Depreciation for:								
Building and Equipment		241,697		16,155		_		257,852
Water and Sewer System		14,144,475		566,109		24,985		14,685,599
Total Accumulated		, ,		,		,		
Depreciation		14,386,172		582,264		24,985		14,943,451
-		,				,		, ,
Business-Type Activities,								
Capital Assets, Net	\$	5,866,619	\$	(497,852)	\$	98,665	\$	6,183,839

The following table summarizes the depreciation by function for the year ended March 31, 2024:

	Governmental Activities					
Administration	\$	76,511	\$	-		
Police		73,114		-		
Recreation		375,096		-		
Transportation		187,535		-		
Water		-		263,729		
Sewer				318,535		
Total	\$	712,256	\$	582,264		

NOTE 7 LONG-TERM DEBT

Governmental Activities

Changes in the debt for the year ended March 31, 2024 consisted of the following:

								Balance		
		April 1,				March 31, Due				
Governmental Activities		2023	Additions		Retirements		2024		One Year	
Financed Purchase - Wheel Loader	\$	23,720	\$	-	\$	11,579	\$	12,141	\$	12,142
Financed Purchase - Track Loader		10,965		-		5,353		5,612		5,612
Financed Purchase- Skid Steer		7,089		-		3,460		3,629		3,629
2015 G.O. Refunding Bonds		1,470,000		-		730,000		740,000		740,000
2019 Certificates of Participation		1,600,000		-		120,000		1,480,000		125,000
2019 Premium on COP Issue		31,056		-		2,069		28,987		-
Direct Financing		20,000		-		20,000		-		-
Lease Liability		57,316		-		15,447		41,869		10,312
Compensated Absences		135,085		3,476		_		138,561		138,561
Total	\$	3,355,231	\$	3,476	\$	907,908	\$	2,450,799	\$	1,035,256

Lease Liabilities

In 2023, the City entered into a 60 month lease for the use of a copier. The lease agreement requires monthly payments of \$980, with a 4% interest rate.

At March 31, 2024, the City had \$53,390 of assets under leases with related accumulated amortization of \$12,669.

Compensated Absences

Compensated absences are payable upon separation from employment which could occur at any time and are, therefore, considered payable within one year and are liquidated by the governmental fund responsible for generating the liability. The liability is allocated to each fund as follows:

General:	
Administration	\$ 40,144
Police	52,079
Dispatch	5,406
Community Development	8,082
Buildings	4,094
Court	3,027
Codes	4,570
Recreation	4,067
Transportation	17,092
Total	\$ 138,561

NOTE 7 LONG-TERM DEBT (CONTINUED)

Governmental Activities (Continued)

GO Refunding Bonds

On December 9, 2015, the City issued General Obligation Refunding Bonds in the original amount of \$6,455,000. The bonds require annual principal payments and semi-annual interest payments at a rate of 1.95% until maturity in 2025.

\$ 740,000

Financed Purchases

On October 14, 2019, the City refinanced a lease-purchase agreement with Bell Bank in the amount of \$68,066 for the purchase of a wheel loader. The agreement requires six annual payments of \$12,730 starting October 14, 2019, including interest at 4.75%.

12,142

On October 14, 2019, the City refinanced a lease-purchase agreement with Bell Bank in the amount of \$31,467 for the purchase of a compact track loader. The agreement requires six annual payments of \$5,885 starting October 14, 2019, including interest at 4.75%.

5,612

On October 14, 2019, the City refinanced a lease-purchase agreement with Bell Bank in the amount of \$20,343 for the purchase of a skid steer loader. The agreement requires six annual payments of \$3,805 starting October 14, 2019, including interest at 4.75%.

3,629

Certificates of Participation

On September 23, 2019, the City issued Refunding Certificates of Participation in the amount of \$2,055,000 for the purpose of refunding the original certificates of participation used for pool improvements. The certificates require annual payments of principal and interest at 3.0%

1,480,000

Total \$ 2,241,383

NOTE 7 LONG-TERM DEBT (CONTINUED)

Business-Type Activities

Changes in the debt for the year ended March 31, 2024 consisted of the following:

	Balance						Balance			
	April 1,				March 31,				Due in	
Business-Type Activities	2023		Additions	Re	etirements		2024	C	ne Year	
2015 Refunding Revenue Bonds	\$ 1,090,000	\$	-	\$	335,000	\$	755,000	\$	345,000	
Revenue Bonds - Discount	(41,640)		-		(13,880)		(27,760)		-	
Direct Financing	57,153		-		13,780		43,373		43,373	
2023 Water Sewer Bond	-		2,000,000		-		2,000,000		-	
2023 Water Sewer Bond Premium	-		53,159		-		53,159		-	
Compensated Absences	12,765		6,513		-		19,278		19,278	
Total	\$ 1,118,278	\$	2,059,672	\$	334,900	\$	2,843,050	\$	407,651	

Compensated Absences

Compensated absences are payable upon separation from employment which could occur at any time and are, therefore, considered payable within one year and are liquidated by the department responsible for generating the liability. The liability is allocated to each department as follows:

Water	\$ 17,838
Sewer	 1,440
Total	\$ 19,278

Revenue Bonds

On December 9, 2015, the City issued Revenue Refunding Bonds in the original amount of \$3,445,000. The bonds require annual principal payments and semiannual interest payments at a rate of 2.15% until maturity in 2025.

\$ 755,000

Notes Payable

During June 2018, the City entered into a note payable agreement with the local school district for \$92,794 to reimburse the district for overpayment on their water billing. Payments on the note will come as a credit to the districts water account in the amount of each years current water charges. Credit on the districts account will continue until June 2023 when the remaining balance of the note becomes due.

\$ 43.373

NOTE 7 LONG-TERM DEBT (CONTINUED)

Water & Sewer Bonds

On June 28. 2023, the City issued Waterworks & Sewearge System Revenue Bonds in the original amount of \$2,000,000. The bonds require annual principal and interest payments at a rate of 5% until maturity in 2044.

\$ 2,000,000

Maturity Table

Aggregate annual principal payments and debt service requirements are as follows:

	Governmental Activities			Business-Type Activities					
Year Ending March 31,	Principal		Interest		Principal		Interest		Total
2025	\$	896,694	\$	59,440	\$	388,373	\$	16,233	\$ 1,360,740
2026		130,732		39,878		410,000		8,815	589,425
2027		136,170		35,765		75,000		1,875	248,810
2028		139,655		31,495		75,000		1,875	248,025
2029		135,000		29,375		80,000		2,000	246,375
2030 - 2034		845,000		33,825		460,000		9,200	1,348,025
2035 - 2039		-		-		575,000		11,500	586,500
2040 - 2044						735,000		14,700	 749,700
Total	\$	2,283,251	\$	229,778	\$	2,798,373	\$	66,198	\$ 5,377,600

NOTE 8 INTERFUND TRANSACTIONS

	Transfers In													
								Debt	١	lonmajor				
Transfers Out		General	Trai	nsportation		Park		Service		Funds	P	roprietary		Total
General	\$	41,358	\$	700	\$	5,600	\$	-	\$	57,200	\$	900	\$	105,758
Transportation		47,640		-		-		-		-		-		47,640
Park		14,635		-		-		_		-		-		14,635
Debt Service		35,900		-		-		-		-		-		35,900
ARPA		-		-		-		-		-		863,767		863,767
Nonmajor Funds		233,688		175,000		380,000		168,000				-		956,688
Proprietary		313,186												313,186
Total	\$	686,407	\$	175,700	\$	385,600	\$	168,000	\$	57,200	\$	864,667	\$	2,337,574

Transfers are used to move ARPA money where revenues are being spent, debt service for principal payments, operations programs to fund applicable programs, capital expenditures, and to reimburse operation costs.

NOTE 9 RETIREMENT PLAN

Plan Description

The City of Pleasant Hill, Missouri contributes to the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiemployer, statewide public employee retirement plan for units of local government which is legally separate and fiscally independent of the state of Missouri. LAGERS was established in 1967 and is administered in accordance with RSMo 70.600-70.755. LAGERS serves approximately 668 local participating employers. These participating employers include 806 political subdivisions of the state during the plan year ended June 30, 2023.

NOTE 9 RETIREMENT PLAN (CONTINUED)

Responsibility for the operation and administration of the plan is vested in the LAGERS board of trustees consisting of seven persons. Three trustees are elected by the employees who participate in the system, three trustees are elected by the members of the governing bodies of those political subdivisions which participate in the system, and one trustee is appointed by the governor. The regular term of office for members of the LAGERS board of trustees is four years. Members of the LAGERS board of trustees serve without compensation with respect to their duties but are reimbursed by LAGERS for their actual and necessary expenses incurred in the performance of their duties.

Plan Description (Continued)

For the City's year ended March 31, 2024, the net pension liability is based on an actuarial valuation performed as of February 29, 2023, and a measurement date of June 30, 2023.

Benefits Provided

LAGERS provides retirement, death, and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after five years of credited service. Employees who retire on or after age 60 (55 for police and fire) with five or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of five years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance.

Benefit terms provide for annual postretirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 0% of their gross pay to the pension plan. Employer contribution rates are 19.4% (General), 8.0% (Police), and 17.1% (Fire) of annual covered payroll.

Net Pension Liability

The employer's net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2023.

NOTE 9 RETIREMENT PLAN (CONTINUED)

Actuarial Assumptions

The pension liability for the June 30, 2023 measurement date was determined using the following actuarial assumptions applied to the measurement:

Actuarial Cost Method Entry Age Normal and Modified Terminal Funding

Amortization Method A level percentage of payroll amortization method is

> used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial

amortization period or (ii) 15 years.

Remaining Amortization Period Multiple Bases from 8 to 15 Years – General

> Multiple Bases from 8 to 15 Years - Police Multiple Bases from 8 to 15 Years – Fire

Asset Valuation Method Five-Year Smoothed Market; 20% Corridor

Inflation 2.75% Wage Inflation; 2.25% Price Inflation

Salary Increases 2.75% to 6.75% (6.55% for Police, 7.15% for Fire)

Including Wage Inflation

Investment Rate of Return 7.00%, Net of Investment Expenses

Experience-based table of rates that are specific to the Retirement Age

type of eligibility condition.

Mortality The healthy retiree mortality tables, for post-retirement

> mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PUbNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PUbG-2010 Employee Mortality Table for males and females of General groups and 75% of the PUbS-2010 Employee Mortality Table for males and

females of Police, Fire, and Public Safety groups.

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality

improvement scale to the above described tables.

Other Information None.

NOTE 9 RETIREMENT PLAN (CONTINUED)

Target Allocation

		Long-Term
	Target	Expected Real
Asset Class	Allocation	Rate of Return
Equity	39.00 %	4.16 %
Fixed Income	28.00	0.89
Real Assets	33.00	2.09

Discount Rate

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 1.92%; and the resulting single discount rate is 7.00% for General, 7.00% for Police and 7.00% for Fire.

Pension Liability (Asset) Sensitivity

The following table presents the net pension (asset) liability for the City's proportionate share of the net pension (asset) liability as of June 30, 2023, calculated using the discount rate of 7.00%, as well as what the pension plan's net pension (asset) liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1.00%		urrent Trend	1.00%
	 Decrease		ssumption	 Increase
General Division	\$ 1,025,926	\$	(232,004)	\$ 9,107,284
Police Division	(152,748)		(909,394)	(1,529,052)
Fire Division	 (110,137)		(151,528)	 (184,992)
Total	\$ 763,041	\$	(1,292,926)	\$ 7,393,240

NOTE 9 RETIREMENT PLAN (CONTINUED)

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)					
	Т	otal Pension	PI	an Fiduciary	Ν	let Pension
		Liability	N	let Position	Lia	ibility (Asset)
		(a)		(b)		(a) - (b)
Balances at June 30, 2022	\$	13,175,529	\$	15,497,118	\$	(2,321,589)
Changes for the Year:						
Service Cost		238,710		-		238,710
Interest		900,154		-		900,154
Difference Between Expected						
and Actual Experience		857,979		-		857,979
Changes in Assumptions		-		-		-
Contributions - Employer		-		324,939		(324,939)
Net Investment Income		-		545,873		(545,873)
Benefit Payments, Including Refunds		(881,946)		(881,946)		-
Administrative Expense		-		(16,894)		(16,894)
Other Changes				114,261		(114,261)
Net Changes		1,114,897		86,233		1,028,664
Balances at June 30, 2023	\$	14,290,426	\$	15,583,351	\$	(1,292,925)

Employees Covered by Benefit Terms

At June 30, 2023, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	39
Inactive Employees Entitled to But Not Yet Receiving Benefits	55
Active Employees	36
Total	130

<u>Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions</u>

For the year ended March 31, 2024, the employer recognized pension expense of (\$8,187).

The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

		Deferred		Deferred
		Outflows		Inflows
	of	Resources	of F	Resources
Differences in Experience	\$	621,841	\$	(52,625)
Changes in Assumptions		-		(28,952)
Excess (Deficit) Investment Returns		169,132		-
Contributions Subsequent to the Measurement Date		253,618		
Total	\$	1,044,591	\$	(81,577)

NOTE 9 RETIREMENT PLAN (CONTINUED)

<u>Pension Expense and Deferred Outflows of Resources and Deferred Inflows of</u> Resources Related to Pensions (Continued)

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) for the year ended March 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending March 31,	 Amount	
2024	\$ 175,749	
2025	65,238	
2026	363,787	
2027	 104,622	
Total	\$ 709,396	

Pension Plan Fiduciary Net Position

Additional financial and actuarial information supporting the preparation of the schedule of changes in fiduciary net position is included in the System's Comprehensive Annual Financial Report for the year ended June 30, 2023. The Comprehensive Annual Financial Report can be obtained at www.molagers.org or from Missouri Local Area Government Employee Retirement System (LAGERS), PO Box 1665, Jefferson City, MO 65102.

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The City provides for retiree health insurance coverage to qualifying former employees through Midwest Public Risk (MPR), a public-entity risk pool. Under GASB provisions, MPR functions as an agent multiple-employer plan.

Therefore, a separate valuation is required for each entity member offering retiree coverage that follows accrual accounting.

Retirees and their spouses may obtain Medical coverage until Medicare eligibility by paying required premium rates. Upon retiree death or attainment of age 65, spouses may continue Cobra coverage for up to three years. The required premium rates are based to some degree on combined active and retiree experience, so retirees are not charged the full age-based projected cost.

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Benefits Provided

The program of MPR offers various group medical plans. Medical and Dental coverage are structured through self-insured arrangements, with stop-loss coverage for Medical. The plan renewal year runs from July 1 to June 30.

Upon payment of required contributions, participants may continue retiree Medical coverage until becoming eligible for Medicare, which is currently age 65. Spousal coverage may continue under Cobra for up to three years upon retiree death or retiree attainment of age 65. A participant may not enroll in retiree coverage after once declining coverage.

In order to continue coverage under the above provisions, an electing former employee must achieve the following criteria:

- Not be eligible for Medicare; and
- Apply for Retiree coverage within 31 days of termination; and
- Have worked as a qualifying continuous "full-time" employee; and
- Attained at least 10 years of continuous service, among MPR entity members, immediately preceding the date of termination.

The premium contribution rates for retiree coverage utilized as the starting basis for the valuation are those that apply for the plan renewal year starting July 1, 2023.

		Sı	oouses of	Sp	ouses of
		(Covered	No	ncovered
Coverage	Retiree		Retirees	Re	etirees (1)
CF \$1,500	\$ 928.00	\$	1,227.00	\$	652.80
INO 1 - Buy Up	1,447.00		1,969.00		1,017.96
INO 2 - Base	1,293.00		1,764.00		909.84
OAP \$750	1,351.00		1,752.00		950.64

⁽¹⁾ Cobra rate applies when a retiree participant dies, or turns age 65.

Funding Policy

Health insurance claims and administrative costs of the pool are paid from the MPR Health & Dental Fund (the Fund). It has been determined the Fund does not qualify as an "OPEB plan" for GASB Statement No. 75 reporting purposes. Thus, assets of the Fund cannot be reported as an offset to GASB Statement No. 75 liabilities.

The average of the S&P Municipal Bond 20-Year High Grade and Fidelity GO AA-20 Year published yields was evaluated to determine the discount rate. The selected rates are 3.92% (beginning-of-year measurement) and 4.10% (end-of-year measurement).

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Membership

Membership in the OPEB was comprised of the following at March 31, 2024:

Accounting Fund	Number of Employees	Number of Retirees / Spouses
General		<u> </u>
	29	U
Enterprise	3	0
Special Revenue - Parks	3	0
Special Revenue - Streets	4	0
Retiree	0	0
Total	39	0

Total OPEB Liability

The City's total OPEB liability of \$53,854 was measured as of March 31, 2024 and was determined by an actuarial valuation as of July 1, 2023.

OPEB Liability as a Percentage of Payroll

Total OPEB Liability	\$ 77,035
Payroll*	2,025,273
Percent of Payroll	3.80%

^{*}Annualized pay as of July 1, 2019 of active employees

The net OPEB liability in the March 31, 2024 measurement was determined using the following actuarial assumptions and other inputs:

Actuarial Assumptions

- A. Discount Rate 4.10% per annum
- B. Measurement Period March 31, 2024
- C. Valuation Date July 1, 2023

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions (Continued)

D1. Medical/Rx Cost Trend

Year	Trend
2023-24	7.50%
2024-25	7.25%
2025-26	7.00%
2026-27	6.75%
2027-28	6.50%
2028-29	6.25%
2029-30	6.00%
2030-31	5.75%

- D2. Stop-Loss Premiums 4 percentage points above claim cost trend
- D3. Admin Fees 2.5% per year
- E. Dental Benefit Not Valued The level of age-subsidy is not assumed to be material
- F. Age Adjusted Costs The estimated age-adjusted cost for retiree insurance coverage during the next 12 months from the valuation date is shown in the "Cost Analysis by Age" section.
- G. Salary Scale Per Employee 3.0% per year
- H. Future Retiree Enrollment Participation in coverage for future eligible retirees is assumed to differ based on age at retirement. Rates consider MPR plan experience and other plans in the region with similar cost-sharing provisions.

Age at Retirement	Enrollment
Less than 55	10%
55 to 59	15%
60 to 63.5	25%
63.5 to 64	0%

- I. Medical Plan Elections Based on a weighting of current plan elections, the average is valued for future retiring employees.
- J. Future Spousal Participation Twenty percent (20%) of future participating retirees are assumed to have a covered spouse. This is based on multiple years of MPR retiree experience. Actual spouse elections were valued for current retirees.
- K. Spouse Age Difference Males are assumed to be 3 years older than their female spouses for future retirees. Actual spouse age was valued for spouses of current retirees.
- L. Medicare Eligibility Age Age 65.
- M. Timing of Claim Payments Mid-year.
- N. Non-Spouse Dependents Deemed immaterial to the liability results and not valued.
- O. Duration of Coverage Retirees are assumed to elect coverage to Medicare eligibility. When the retiree is covered, spousal coverage is assumed to apply to the earlier of retiree aged 65 or spouse age 65. Upon retiree death or attainment of age 65, spouses are assumed to elect COBRA coverage for up to 3 years not to exceed spouse aged 65.
- P. Healthy Life Mortality Society of Actuaries Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables using Scale MP-2021 Full Generational Improvement.

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions (Continued)

- Q. Disabled Life Mortality Society of Actuaries Pub-2010 Public Retirement Plans Disabled Retirees Headcount-Weighted Mortality Tables using Scale MP-2021 Full Generational Improvement.
- R. Retirement Due Disability Assumed disability rates are based on rates used for the LAGERS pension actuarial valuation. Assumed annual rates of disablement are shown below for selected ages:

			enerai	
Age	Police	Male	Female	
30	.0011	0.0010	0.0003	_
40	.0022	0.0018	0.0009	
45	.0034	0.0025	0.0015	
50	.0053	0.0037	0.0022	
55	.0088	0.0057	0.0032	
60	N/A	0.0086	0.0045	

S. Retirement Age – Assumed rates are based on those used for the LAGERS pension actuarial valuation. Retirement rates project the annual probability of retiring for eligible employees. For "Rule of 80" rates to apply, age plus years of service must be greater than or equal to 80, and the employer must elect the "Rule of 80" option.

		General Members		
	Age(s)	Men	Women	
	50-51	0.20	0.15	
	52-61	0.15	0.15	
Rule of 80	62-63	0.25	0.15	
	64	0.25	0.20	
	65-66	0.30	0.25	
	67-69	0.20	0.25	
	70+	1.00	1.00	
		General Members		
	Age(s)	Men	Women	
	55-59	0.03	0.03	
	60-61	0.10	0.10	
	62	0.25	0.15	
No Rule of 80	63-64	0.20	0.15	
	65	0.25	0.25	
	66	0.25	0.30	
	Age(s)	Police		
	50-51	0.25		
	52-53	0.15		
	54	0.15		
Rule of 80	55-60	0.15		
	51	0.25		
	62	0.20		
	63-64	0.20		
	65+	1.00		

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions (Continued)

	Age(s)	Police
	50-51	0.025
	52-53	0.03
No Rule of 80	54	0.04
NO Rule Of 80	55-61	0.11
	62	0.22
	63-64	0.18
	65+	1.00

T. Turnover Incidence – Assumed turnover rates are based on rates used for the LAGERS pension actuarial valuation. Turnover rates are not applied when retirement eligibility is achieved. Illustrations of annual rates of turnover are shown below at sample ages and levels of service:

Pol	ice
-----	-----

'olice												
			Years of Servi	ice								
<u>Age</u>	<u>0-1</u>	<u>0-1</u>				•						
All Ages	.18	.17	.16	0.14	0.13							
			Years of Service	e > 5								
<u>Age</u>		<u>Rate</u>										
25			0.108									
30			0.085									
35			0.063									
40			0.046									
50	0.021											
Ge	eneral			Vacua of Camilas								
0	A	0.4		Years of Service	2.4	4.5						
<u>Gender</u>	Age	<u>0-1</u>	<u>1-2</u>	<u>2-3</u>	<u>3-4</u>	<u>4-5</u>						
Male	All Ages	0.2	0.18	0.16	0.13	0.12						
Female	All Ages	0.23	0.21	0.18	0.15	0.13						
				Years of Service > 5								
<u>.</u>	Age_		Male		<u>Female</u>							
	25		0.088		0.124							
	30		0.071		0.102							
	35		0.056		0.078							
	40		0.041		0.058							
	45		0.031		0.044							
	50		0.024		0.035							

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Changes in Net OPEB Liability

	 2024
Total OPEB Liability - Beginning of Year	\$ 77,035
1. Service Cost	6,286
2. Interest Cost	3,266
3. Changes in Benefit Terms	-
4. Differences Between Actual and Expected Experience	(7,537)
5. Changes in Assumptions and Inputs	 (25,196)
Net Changes (1+2+3+4+5-6)	(23,181)
Total OPEB Liability - End of Year	\$ 53,854

Sensitivity Analysis

Changes in the discount rate:

	[1.00% Decrease 3.10	Disc	ent Single count Rate sumption 4.10	_	1.00% ncrease 5.10
Total OPEB Liability	\$	60,268	\$	53,854	\$	18,201
Changes in health care cost trend rate) :					

		1.00%	Cui	rrent Trend	1.00%		
	[<u>Decrease</u>	As	ssumption	 Increase		
General Division	\$	1,025,926	\$	(232,004)	\$ 9,107,284		

<u>Postemployment Benefits Expense and Deferred Outflows of Resources Related to Postemployment Benefits</u>

The accumulated amount of deferred outflows and inflows of resources as of March 31, 2024 are shown below:

	Deterr	ed Outflows	Deter	red Inflows		
Category	of R	Resources	of R	of Resources		
Differences Between Expected and Actual Experience	\$	47,157	\$	55,216		
Changes in Assumptions		8,625		42,902		
Total	\$	55,782	\$	98,118		

NOTE 10 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

<u>Postemployment Benefits Expense and Deferred Outflows of Resources Related to Postemployment Benefits (Continued)</u>

Amounts reported as deferred outflows/inflows of resources related to OPEB will be recognized as an expense (income) item in OPEB expense as follows:

Fiscal Year Ending	 Amount
2025	\$ (1,954)
2026	(1,954)
2027	(1,954)
2028	(1,954)
2029	(1,954)
2030 & Thereafter	 (32,566)
Total	\$ (42,336)

For the year ended March 31, 2024, the employer recognized other postemployment benefits expense of \$6,286.

NOTE 11 PROPERTY TAXES

The City's property tax is levied each November on the assessed value as of the prior January 1 for all property located in the City. Assessed valuations are established by the Cass County assessor. The county collects the property tax and remits it to the City monthly.

The assessed value of the tangible property located in the City for the purpose of local taxation for the budget year ended March 31, 2024 was \$160,854,765.

The City is permitted by Missouri State Statutes to levy taxes up to \$1.00 of assessed valuation for general governmental services other than payment of principal and interest on long-term debt, up to \$0.20 for recreation, and in unlimited amounts for the payment of principal and interest on long-term debt. The City's property tax levies for the year ended March 31, 2024, per \$100 assessed valuation, were as follows:

General	\$ 0.3201
Street	0.1199
Health	0.0639
Recreation	0.0639
Debt Service	 0.5667
Total	\$ 1.1345

Property taxes may attach as an enforceable lien on property as of January 1. Taxes are levied no later than November 1 and are due and payable at that time. All unpaid taxes levied by November 1 become delinquent January 1 of the following year.

NOTE 12 TAX ABATEMENTS

The City has tax abatement agreements with one entity as of March 31, 2021:

Economic Development Incentive Policy. On May 14, 2012, the City of Pleasant Hill, Missouri entered into a Property Tax Abatement Agreement (the Plan) with a metal fabricator. The Plan was authorized by City Council Resolution and provides for the qualifying industrial development project in the Northeast Cass County Enhanced Enterprise Zone to receive up to 60% property tax abatement which is tied to job creation. The Plan relies on the abatement of the determined percentage of the revenue from taxes that are imposed by the City or other Taxing Districts, which are generated by the property valuations within the described area which would result from levies made from year to year until the agreement is terminated, which shall not be later than 10 calendar years beginning in 2012, provided however, that pursuant to Section 135.963.5, RSMo, this abatement shall terminate no later than 25 years from April 27, 2011, the date the Northeast Cass County Enhanced Enterprise Zone was designated by the Missouri Department of Economic Development.

For the year ended March 31, 2024, the City abated taxes as follows:

\$1,549 Real and Personal Property Taxes 50% Abated During the Fiscal Year

NOTE 13 COMPONENTS OF FUND BALANCE

At March 31, 2024, portions of the City's fund balance are not available for appropriation due to balances that cannot be spent (Nonspendable), legal restrictions (Restricted), City Council action (Committed), policy and/or intent (Assigned). The following is a summary of the components of fund balance:

	Genera Fund	l 	Fransportation Fund				Debt Service Fund		Capital Projects Fund		ARPA Fund		Other overnmental Funds	Total	
FUND BALANCES															
Nonspendable:				_		_		_		_		_			
Prepaid Items	\$ 60,7	13	\$ 46,407	\$	10,084	\$	-	\$	-	\$	-	\$	2,133	\$	119,337
Restricted:															
Court Bond	6	11	-		-		-		-		-		-		611
Capital Improvement		-	-		-		-		255,769		-		1,076,921		1,332,690
Debt Service		-	-		-		587,180		-		-		-		587,180
Assigned:															
Equipment Replacement	5,3	66	-		-		-		-		-		-		5,366
Risk Management	125,7	58	-		-		-		-		-		-		125,758
Street Improvements		-	1,382,017		-		-		-		-		-		1,382,017
Park Improvements		-	-		153,844		-		-		-		_		153,844
Neighborhood															
Improvement District		-	-		-		-		-		-		7,299		7,299
Excise Tax		-	-		-		-		-		-		82,876		82,876
Public Health		-	-		_		_		-		-		143,154		143,154
Special Events		-	-		_		-		_		-		64,586		64,586
Unassigned	3,193,6	62	-		-		-		(30,775)		-		· -		3,162,887
Total	\$ 3,386,1	10	\$ 1,428,424	\$	163,928	\$	587,180	\$	224,994	\$		\$	1,376,969	\$	7,167,605

CITY OF PLEASANT HILL, MISSOURI BUDGETARY COMPARISON SCHEDULE GENERAL FUND YEAR ENDED MARCH 31, 2024

DEVENUE		Original Budget		Final Budget		Actual	F	/ariance Positive legative)
REVENUES Solos Tox	\$	050 000	ው	050,000	φ	020.662	ው	(40.220)
Sales Tax	Ф	950,000 510,500	\$	950,000 510,500	\$	939,662 545,947	\$	(10,338) 35,447
Property Tax Other Tax		21,600		21,600		17,511		(4,089)
PILOT Payments		21,860		21,800		201,366		(4,009)
Franchise Fees		959,000		959,000		959,007		- 7
License and Permits		70,725		70,725		125,696		, 54,971
Intergovernmental Revenue		5,300		5,300		5,290		(10)
Fines and Court Costs		111,500		111,500		3,290 162,111		50,611
Donations		58,200		58,200		62,923		4,723
Insurance Rebates and Proceeds		12,945		12,945		70,083		57,138
Insurance Repaies and Proceeds		140,000		140,000		70,063 478,141		338,141
Other		68,500		71,500		134,256		62,756
Total Revenues	_	3,109,636	_	3,112,636	_	3,701,993		589,357
Total Neverlues	•	3, 109,030		3,112,030		3,701,993		309,331
EXPENDITURES								
Administration		1,891,848		2,005,637		2,074,325		(68,688)
Police		1,677,955		1,677,955		1,511,672		166,283
Capital Outlay		43,300		43,300		-		43,300
Debt Principle		16,000		16,000		17,346		(1,346)
Total Expenditures		3,629,103	_	3,742,892		3,603,343		139,549
Total Experiatares		0,020,100	_	0,142,002		0,000,040		100,040
EXCESS (DEFICIENCY) OF REVENUES								
OVER (UNDER) EXPENDITURES		(519,467)		(630, 256)		98,650		728,906
,		, ,		, ,		,		•
OTHER FINANCING SOURCES (USES)								
Transfers In		686,407		686,407		686,407		-
Transfers Out		(105,758)		(105,758)		(105,758)		-
Total Other Financing Sources (Uses)		580,649		580,649		580,649		-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	•	04.400	•	(40.007)		070.000	•	700.000
AND OTHER FINANCING USES	\$	61,182	\$	(49,607)		679,299	\$	728,906
Fund Balance - Beginning of Year						2,706,811		
FUND BALANCE - END OF YEAR					\$	3,386,110		

CITY OF PLEASANT HILL, MISSOURI BUDGETARY COMPARISON SCHEDULE TRANSPORTATION FUND YEAR ENDED MARCH 31, 2024

		Original Budget		Final Budget		Actual	F	/ariance Positive legative)
REVENUES								
Sales Tax	\$	430,000	\$	430,000	\$	423,931	\$	(6,069)
Property Tax		192,500		192,500		204,031		11,531
Fuel and Vehicle Tax		383,000		383,000		448,463		65,463
Other Tax		9,500		9,500		7,463		(2,037)
Intergovernmental Revenue		170,000		170,000		215,749		45,749
Grants and Donations		56,500		56,500		5,225		(51,275)
Other		4,500		4,500		3,425		(1,075)
Total Revenues	•	1,246,000	1	1,246,000	•	1,308,287		62,287
EXPENDITURES								
Transportation		1,095,595	1	1,095,595		692,413		403,182
Capital Outlay		800,000		800,000		497,941		302,059
Total Expenditures	_	1,895,595	1	1,895,595		1,190,354		705,241
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES		(649,595)		(649,595)		117,933		767,528
OTHER FINANCING SOURCES (USES)								
Transfers In		175,700		175,700		175,700		_
Transfers Out		(47,640)		(47,640)		(47,640)		-
Total Other Financing Sources (Uses)		128,060		128,060		128,060		_
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES								
AND OTHER FINANCING USES	\$	(521,535)	\$	<u>(521,535)</u>		245,993	\$	767,528
Fund Balance - Beginning of Year						1,182,431		
FUND BALANCE - END OF YEAR					\$	1,428,424		

CITY OF PLEASANT HILL, MISSOURI BUDGETARY COMPARISON SCHEDULE PARK FUND YEAR ENDED MARCH 31, 2024

		Original Budget		Final Budget		Actual	F	ariance Positive legative)
REVENUES	φ	100 200	ው	100 200	ው	100 210	Φ	6.040
Property Tax Licenses and Permits	\$	102,300 6,500	\$	102,300 6,500	\$	108,318 9,294	\$	6,018 2,794
		259,660		259,660		9,29 4 243,419		(16,241)
Charges for Services		259,000		259,660		243,419		(10,241)
Donations		- 0.60E		- 2.625		2.706		1 001
Other Total Revenues		2,625		2,625		3,706		1,081
Total Revenues		371,085		371,085		364,737		(6,348)
EXPENDITURES								
Recreation		738,509		738,509		710,626		27,883
Capital Outlay						14,680		(14,680)
Total Expenditures		738,509		738,509		725,306		13,203
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES		(367,424)		(367,424)		(360,569)		6,855
OTHER FINANCING SOURCES (USES)								
Transfers In		285,600		285,600		385,600		100,000
Transfers Out		(14,635)		(14,635)		(14,635)		
Total Other Financing Sources (Uses)		270,965		270,965		370,965		100,000
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$	(96,459)	\$	(96,459)		10,396	\$	106,855
Fund Balance - Beginning of Year						153,532		
FUND BALANCE - END OF YEAR					\$	163,928		

CITY OF PLEASANT HILL, MISSOURI SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS YEAR ENDED MARCH 31, 2024

Fiscal Year Ending	De	ctuarially etermined ontribution (a)	entribution Relation (b)	De (E	ntribution ficiency excess) (a-b)	Covered Employee Payroll (d)	Contributions as a Percentage of Covered Employee Payroll (b/d)
2015	\$	340,716	\$ 340,716	\$	-	\$ 1,858,610	18.33%
2016		311,560	311,560		-	1,906,488	16.34%
2017		283,060	283,060		-	1,806,154	15.67%
2018		290,997	289,872		1,125	1,830,586	15.83%
2019		359,678	326,520		33,158	1,987,132	16.43%
2020		352,013	311,417		40,596	1,841,208	16.91%
2021		366,399	330,378		36,021	1,885,154	17.53%
2022		389,200	356,627		32,572	2,014,601	17.70%
2023		328,458	328,458		-	2,017,969	16.28%
2024		337,344	337,344		-	2,146,371	15.72%

CITY OF PLEASANT HILL, MISSOURI SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY (ASSET) YEAR ENDED MARCH 31, 2024

Fiscal year ending June 30,		2023		2022		2021		2020	,,	2019		2018		2017	2	2016
Total Pension Liability (Asset) Service Cost Interest on the Total Pension Liability (Asset)	↔	238,710 900,154	↔	241,532 878,181	↔	234,450 904,822	↔	243,176 884,042	↔	223,623 803,661	↔	216,442 736,707	↔	229,742 694,887	↔	241,034 648,732
Crianges of behein Fernis Difference Between Expected and Actual Experience		- 857,979		51,055		- (577,767)		- (450,415)		473,280		357,332		(274,532)		83,076
Assumption Changes Benefit Payments, Including Refunds	l	(881,946)		(829,871)		(383,863)		(387,847)		(414,629)		(367,205)		(372,239)		(280,669)
Net Change in Total Pension Liability (Asset) Total Pension Liability (Asset) - Beginning Total Pension Liability (Asset) - Ending	4	1,114,897	€.	340,897 12,834,632 13 175 529	U	12,553,707	es.	288,956 12,264,751 12,553,707	£ .	1,085,935 11,178,816 12,264,751	· · ·	943,276 10,235,540 11,178,816	er.	461,982 9,773,558 10 235 540	€	734,882 9,038,676 9,773,558
Plan Fiduciary Net Position Contributions - Employer	€	324,939	↔	344,105	φ.	309,380	- σ	321,612		303,833		278,748		438,409		328,256
Contributions - Employee Pension Plan Net Investment income		545,873		11,994		157,873		757,124		1,281,148		1,200,797		(31,659)		182,003
Benefit Payments, Including Refunds Pension Plan Administrative Expense		(881,946) (16,894)		(829,871) (11,600)		(383,863) (12,906)		(387,847) (11,349)		(414,629) (7,768)		(367,205) (7,332)		(372,239) (7,150)		(280,669) (7,363)
Other Net Change in Plan Fiduciary Net Position		114,262 86,234		280,788 (204,584)		(67,055) 3,429		(168,726) 510,814		(13,127) 1,149,457		13,027 1,118,035		(112,672) (85,311)		114,801 337,028
Plan Fiduciary Net Position - Beginning Plan Fiduciary Net Position - Ending	s	15,497,117 15,583,351	s	15,701,701 15,497,117	\$	12,352,695 12,356,124	s	11,841,881	\$	10,692,424 11,841,881	\$	9,574,389 10,692,424	\$	9,659,700	\$	9,322,672 9,659,700
Employer Net Pension Liability (Asset)	છ	(1,292,925)	↔	(2,321,588)	₩	375,225	↔	201,012	↔	422,870	↔	486,392	↔	661,151	↔	113,858
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)		109.05%		117.62%		97.05%		98.40%		%99.98%		95.65%		93.54%		98.84%
Covered Payroll	8	2,080,449	↔	1,865,718	↔	1,739,823	s	1,972,029	↔	1,984,833	s	1,763,715	↔	1,790,414	↔	1,891,456
Employer's Net Pension Liability (Asset) as a Percentage of Covered Payroll		-62.15%		-124.43%		21.57%		10.19%		21.31%		27.58%		36.93%		6.02%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CITY OF PLEASANT HILL, MISSOURI SCHEDULE OF CHANGES IN THE CITY'S OTHER POSTEMPLOYMENT BENEFITS AND RELATED RATIOS YEAR ENDED MARCH 31, 2024

		2024		2023		2022		2	021		2020		2019		2018
Total OPEB Liability - Beginning of Year	↔	77,03	<u>\$</u>	66,944	 	113,304	304	\$	80,899	ક	79,742	s	68,310	s	60,145
1. Service Cost		6,28	"	6,58	39	6	353		6,831		5,250		4,729		4,403
2. Interest Cost		3,26	"	2,309	60	2,465	465		2,377		2,847		2,600		2,408
3. Changes in Benefit Terms							,		1		•		(35,037)		•
4. Differences Between Actual and Expected Experience		(7,53	<u></u>	(12,6	(40	(16,	(896		•		(19,320)		17,247		•
Changes in Assumptions and Inputs		(25, 19	<u>(</u>)	13,78	37	(41,	210)		23,197		12,380		21,893		1,354
Net Changes (1+2+3+4+5-6)		(23,18	 <u>-</u>	10,08	91	(46,	360)		32,405		1,157		11,432		8,165
Total OPEB Liability - End of Year	\$	53,854	\$	77,0	35 \$	66,944	944	\$	113,304	\$	80,899	\$	79,742	8	68,310
OPEB Liability as a Percent of Payroll															
Total OPEB Liability	↔	53,85	\$	77,0	35 \$	66,94	944	\$	113,304	s	80,899	↔	79,742	\$	68,310
Covered Payroll at Valuation Date	↔	2,096,890	\$	2,025,273	\$ \$	2,025,273	273	\$	1,734,468	\$	1,734,468	↔	1,801,573	\$	1,801,573
reiceil of rayloll		7.27	0	0.0	%	'n	% 0		0.55%		4.00%		4.45%		5.7.8%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

NOTE 1 BUDGETARY INFORMATION

Budgets for the City are prepared and adopted on the modified accrual basis of accounting which is the same as the fund financial statements, except for the ARPA fund. The City performs the following procedures in establishing the budget:

The budget committee submits to the City Council a proposed budget for the fiscal year commencing the following April 1.

Prior to April 1, the budget is legally enacted through vote.

Any revisions that alter the total expenditures of any fund must be approved by the City Council. The fund level constitutes the City's legal level of budgetary control. Reported budgeted amounts are as originally adopted and amended by resolution.

Appropriations lapse at fiscal year-end but may be re-appropriated in the following fiscal year.

NOTE 2 OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS FUNDING STATUS

Since the City has not irrevocably deposited funds in a trust for future health benefits, the actuarial value of plan assets to pay the liability for postemployment benefits is zero.

NOTE 3 DEFINED BENEFIT PENSION PLANS – CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS

The following changes were reflected in the valuation performed on behalf of the LAGERS plan for the year ended June 30:

General Division

2023

• Remaining amortization period was changed from multiple bases from 9 to 15 years to multiple bases from 8 to 15 years.

2022

• Remaining amortization period was changed from multiple bases from 8 to 15 years to multiple bases from 9 to 15 years.

- Remaining amortization period was changed from multiple bases from 9 to 15 years to multiple bases from 8 to 15 years.
- Inflation was changed from 3.25% wage inflation; 2.50% price inflation to 2.75% wage inflation; 2.25% price inflation.
- Salary Increases was changed from 3.25% to 6.55% including wage inflation to 2.75% to 6.75% including wage inflation.
- Investment Rate of Return was changed from 7.25%, net of investment expenses to 7.00%, net of investment expenses.

NOTE 3 DEFINED BENEFIT PENSION PLANS – CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

General Division (Continued)

2021 (Continued)

Mortality was changed from the healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females. Both the postretirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables. The new mortality is the healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups. Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

2020

 Remaining amortization period was changed from multiple bases from 10 to 15 years to multiple bases from 9 to 15 years.

2019

 Remaining amortization period was changed from multiple bases from 11 to 15 years to multiple bases from 10 to 15 years.

2018

 Remaining amortization period was changed from multiple bases from 12 to 16 years to multiple bases from 11 to 15 years.

NOTE 3 DEFINED BENEFIT PENSION PLANS – CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

General Division (Continued)

2017

- Amortization method was changed from a level percentage of payroll, closed, to a level
 percentage of payroll amortization method is used to amortize the UAAL over a closed
 period of years. If the UAAL (excluding the UAAL associated with benefit changes) is
 negative, then this amount is amortized over the greater of (i) the remaining initial
 amortization period or (ii) 15 years.
- Remaining amortization period was changed from multiple bases from 13 to 17 years to multiple bases from 12 to 16 years.

2016

- Actuarial cost method was changed from entry age normal to entry age normal and modified terminal funding.
- Remaining amortization period was changed from multiple bases from 14 to 18 years to multiple bases from 13 to 17 years.
- Inflation was adjusted from 3.5% wage inflation; 3.0% price inflation to 3.25% wage inflation; 2.50% price inflation.
- Salary increases were changed from 3.5% to 6.8% including wage inflation to 3.25% to 6.55% including wage inflation.
- Mortality was changed from 105% of the 1994 Group Annuity Mortality Table set back 0 years for men and 0 years for women. Based upon experience observed during the most recent 5-year period study, it appears that the current table provides for an approximate 13% margin for future mortality improvement. The new mortality method used was the healthy retiree mortality tables, for postretirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for postretirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females. Both the postretirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Police Division

2023

• Remaining amortization period was changed from multiple bases from 9 to 15 years to multiple bases from 8 to 15 years.

2022

• Remaining amortization period was changed from multiple bases from 10 to 15 years to multiple bases from 9 to 15 years.

2021

• Remaining amortization period was changed from multiple bases from 11 to 15 years to multiple bases from 10 to 15 years.

NOTE 3 DEFINED BENEFIT PENSION PLANS – CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

Police Division (Continued)

2021 (Continued)

- Inflation was changed form 3.25% wage inflation; 2.50% price inflation to 2.75% wage inflation; 2.25% price inflation.
- Salary increases was changed from 3.25% to 6.55% including wage inflation to 2.75% to 6.55% including wage inflation.
- Investment rate of return was changed from 7.25%, net of investment expenses to 7.00%, net of investment expenses.
- Mortality was changed from the healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females. Both the postretirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables. The new mortality was the healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups. Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

2020

• Remaining amortization period was changed from multiple bases from 12 to 15 years to multiple bases from 11 to 15 years.

2019

 Remaining amortization period was changed from multiple bases from 13 to 15 years to multiple bases from 12 to 15 years.

NOTE 3 DEFINED BENEFIT PENSION PLANS – CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

Police Division (Continued)

2018

 Remaining amortization period was changed from multiple bases from 14 to 16 years to multiple bases from 13 to 15 years.

2017

- Amortization method was changed from a level percentage of payroll, closed, to a level
 percentage of payroll amortization method is used to amortize the UAAL over a closed
 period of years. If the UAAL (excluding the UAAL associated with benefit changes) is
 negative, then this amount is amortized over the greater of (i) the remaining initial
 amortization period or (ii) 15 years.
- Remaining amortization period was changed from multiple bases from 13 to 17 years to multiple bases from 14 to 16 years.

- Actuarial cost method was changed from entry age normal to entry age normal and modified terminal funding.
- Remaining amortization period was changed from multiple bases from 14 to 18 years to multiple bases from 13 to 17 years.
- Inflation was adjusted from 3.5% wage inflation; 3.0% price inflation to 3.25% wage inflation; 2.50% price inflation.
- Salary increases were changed from 3.5% to 6.8% including wage inflation to 3.25% to 6.55% including wage inflation.
- Mortality was changed from 105% of the 1994 Group Annuity Mortality Table set back 0 years for men and 0 years for women. Based upon experience observed during the most recent 5-year period study, it appears that the current table provides for an approximate 13% margin for future mortality improvement. The new mortality method used was the healthy retiree mortality tables, for postretirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for postretirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females. Both the postretirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

NOTE 3 DEFINED BENEFIT PENSION PLANS – CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

Fire Division

2023

• Remaining amortization period was changed from multiple bases from 9 to 15 years to multiple bases from 8 to 15 years.

2022

 Remaining amortization period was changed from multiple bases from 10 to 15 years to multiple bases from 9 to 15 years.

2021

- Remaining amortization period was changed from multiple bases from 11 to 15 years to multiple bases from 10 to 15 years.
- Inflation was changed from 3.25% wage inflation; 2.50% price inflation to 2.75% wage inflation; 2.25% price inflation.
- Salary increases was changed from 3.25% to 7.15% including wage inflation to 2.75% to 7.15% including wage inflation.
- Investment rate of return changed from 7.25%, net of investment expenses to 7.00%, net of investment expenses.
- Mortality was changed from the healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.
- Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables. The new mortality is the healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups. Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

2020

 Remaining amortization period was changed from multiple bases from 12 to 15 years to multiple bases from 11 to 15 years.

NOTE 3 DEFINED BENEFIT PENSION PLANS – CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

Fire Division (Continued)

2019

 Remaining amortization period was changed from multiple bases from 13 to 15 years to multiple bases from 12 to 15 years.

2018

• Remaining amortization period was changed from multiple bases from 14 to 15 years to multiple bases from 13 to 15 years.

2017

- Amortization method was changed from a level percentage of payroll, closed, to a level
 percentage of payroll amortization method is used to amortize the UAAL over a closed
 period of years. If the UAAL (excluding the UAAL associated with benefit changes) is
 negative, then this amount is amortized over the greater of (i) the remaining initial
 amortization period or (ii) 15 years.
- Remaining amortization period was changed from multiple bases from 13 to 15 years to multiple bases from 14 to 15 years.

- Actuarial cost method was changed from entry age normal to entry age normal and modified terminal funding.
- Remaining amortization period was changed from multiple bases from 14 to 16 years to multiple bases from 13 to 15 years.
- Inflation was adjusted from 3.5% wage inflation; 3.0% price inflation to 3.25% wage inflation; 2.50% price inflation.
- Salary increases were changed from 3.5% to 8.6% including wage inflation to 3.25% to 7.15% including wage inflation.
- Mortality was changed from 105% of the 1994 Group Annuity Mortality Table set back 0 years for men and 0 years for women. Based upon experience observed during the most recent 5-year period study, it appears that the current table provides for an approximate 13% margin for future mortality improvement. The new mortality method used was the healthy retiree mortality tables, for postretirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for postretirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females. Both the postretirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

NOTE 4 OTHER POSTEMPLOYMENT BENEFIT PLANS – CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS

2024

• Discount rate was increased from 3.92% at the end of the prior period to 4.10% at the end of the current period.

2023

- Discount rate was increased from 3.14% at the end of the prior period to 3.92% at the end of the current period.
- Medical/Rx cost trends were updated from the prior year to reflect current period amounts.
- Stop Loss Premiums were changed from 4 percentage points above claim cost trend to 5 percentage points above claim cost trend.
- Age adjusted costs were updated from the prior year to reflect current period amounts.

2022

- Discount rate was increased from 2.01% at the end of the prior period to 3.14% at the end of the current period.
- Medical/Rx cost trends were updated from the prior year to reflect current period amounts.
- Age adjusted costs were updated from the prior year to reflect current period amounts.
- Healthy life mortality tables were updated to the Society of Actuaries Pub-2010 Public Retirement Plans Headcount weighted mortality Tables using ScaleMP-2021.
- Disabled life mortality tables were updated to the Society of Actuaries Pub-2010 Public Retirement Plans Disabled Retirees Headcount weighted Mortality Tables using Scale MP-2021 Full Generational Improvement.
- Retirement Age assumed rates were changed to those used for the LAGERS pension actuarial valuation (adopted 2021).

- Discount rate was decreased from 2.71% at the end of the prior period to 2.01% at the end of the current period.
- Age adjusted costs were updated from the prior year to reflect current period amounts.
- Health life mortality tables were updated to the *Society of Actuaries Pub-2010 Public Retirement Plans Headcount* weighted mortality tables using scale MP-2020 full generational improvement.
- Disabled life mortality tables were updated to the Society of Actuaries Pub-2010 Public Retirement Plans Headcount Disabled Retirees – weighted mortality tables using scale MP-2020 full generational improvement.
- Excise "Cadillac" tax on high-cost plans determined to be nonapplicable.

NOTE 4 OTHER POSTEMPLOYMENT BENEFIT PLANS – CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

2020

- Discount rate was decreased from 3.35% at the end of the prior period to 2.71% at the end of the current period.
- Medical/Rx cost trends were updated from the prior year to reflect current period amounts.
- Stop loss premiums of 4 percentage points above the claim cost trend were added.
- Admin fee of 2.5% per year were added.
- Age adjusted costs were updated from the prior year to reflect current period amounts.
- Salary scale per employee was adjusted from 3.0% per year to 2.0% per year.
- Future retiree enrollment was adjusted for current year trends.
- Healthy life mortality tables were updated to the Society of Actuaries Pub-2010 Public Retirement Plans Headcount – weighted mortality tables using scale MP-2019 full generational improvement.
- Disabled life mortality tables were updated to the Society of Actuaries Pub-2010 Public Retirement Plans Headcount Disabled Retirees – weighted mortality tables using scale MP-2019 full generational improvement.
- Turnover incidence was updated based on current trends.

- Discount rate was decreased from 3.56% at the end of the prior period to 3.35% at the end of the current period.
- Age adjusted costs were updated from the prior year to reflect current period amounts.
- Salary scale per employee was added in the current year at 3.0%.
- Healthy life mortality was updated from Society of Actuaries RPH-2014 adjusted to 2006 total dataset headcount-weighted mortality with scale MP-2017 full generational improvement to Society of Actuaries RPH-2014 adjusted to 2006 total dataset headcount-weighted mortality with scale MP-2018 full generational improvement.
- Disabled life mortality was updated from Society of Actuaries RPH-2014 adjusted to 2006 disabled retiree headcount-weighted mortality with MP-2017 full generational improvement to Society of Actuaries RPH-2014 adjusted to 2006 disabled retiree headcount-weighted mortality with MP-2018 full generational improvement.
- The retirement due to disability assumed rates were updated based on current amounts.

CITY OF PLEASANT HILL, MISSOURI COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS MARCH 31, 2024

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS YEAR ENDED MARCH 31, 2024 CITY OF PLEASANT HILL, MISSOURI

		Capital	Pool Capital		Park/	Codes/		
	N.I.D. Fund	Improvement Sales Tax Fund	Improvement Sales Tax Fund	Excise Tax Fund	Stormwater Sales Tax Fund	Public Health Fund	Special Events Fund	Total
REVENUES								
Taxes:								
Sales	· &	\$ 470,255	\$ 211,965	•	\$ 423,931	· \$	· \$	\$ 1,106,151
Property	•	•	İ	•	•	108,739	•	108,739
Other	1	•		34,125	•	•	•	34,125
Licenses and Permits	1	į	i	1	•	1,243	•	1,243
Charges for Services	•	•		•	•	•	211,346	211,346
Grants and Donations		1	•	ı	•	125	4,690	4,815
Other	1		•	-	1	•	-	1
Total Revenues	_	470,255	211,965	34,125	423,931	110,107	216,036	1,466,420
EXPENDITURES								
Current:								
Administration	1	1	•	_	1	1	1	_
Codes	•	•	Í	•	•	146,189	•	146,189
Recreation	•	· ·	i	•	ĺ	3,118	1	3,118
Special Events	•	•	•	•	i	•	263,859	263,859
Capital Outlay	•	162,717	•	•	•	•	•	162,717
Debt Service:								
Debt Interest and Agent Fees	1	2,028	ı	1	Ī	•	1	2,028
Principal		20,392			1			20,392
Total Expenditures		185,137			1	149,307	263,859	598,304
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	~	285,118	211,965	34,124	423,931	(39,200)	(47,823)	868,116
OTHER FINANCING SOURCES (USES)						27 200		27 200
Transfers Out		(290.012)	(176.500)	(31.386)	(442.000)	37,200 (4,140)	(12.650)	95,700
Total Other Financing Sources (Uses)		(290,012)		(31,386)	(442,000)	53,060	(12,650)	(899,488)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	•			000		9		9
AND OTHER FINANCING USES	-	(4,894)	35,465	2,738	(18,069)	13,860	(60,473)	(31,372)
Fund Balance - Beginning of Year Prior Period Adjustment	7,298	765,564 8,500	103,903	80,138	186,452	128,915 1,327	126,208 36	1,398,478 9,863
Fund Balance - Beginning of Year, As Restated	7,298	774,064	103,903	80,138	186,452	130,242	126,244	1,408,341
FUND BALANCE - END OF YEAR	\$ 7,299	\$ 769,170	\$ 139,368	\$ 82,876	\$ 168,383	\$ 144,102	\$ 65,771	\$ 1,376,969

CITY OF PLEASANT HILL, MISSOURI SCHEDULE OF LONG-TERM DEBT MATURITIES YEAR ENDED MARCH 31, 2024

CITY OF PLEASANT HILL, MISSOURI BUDGETARY COMPARISON SCHEDULE DEBT SERVICE FUND (UNAUDITED) YEAR ENDED MARCH 31, 2024

REVENUES		Original Budget		Final Budget	 Actual	F	/ariance Positive legative)
Property Tax	\$	897,500	\$	853,300	\$ 962,865	\$	109,565
EXPENDITURES							
Debt Principal		850,000		850,000	850,000		-
Debt Interest and Agent Fees		76,665		76,665	71,360		(5,305)
Total Expenditures		926,665		926,665	921,360		(5,305)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES		(29,165)		(73,365)	41,505		114,870
OTHER FINANCING SOURCES (USES)							
Transfers In		168,000		168,000	168,000		-
Transfers Out		(35,900)		(35,900)	(35,900)		-
Total Other Financing Sources (Uses)		132,100		132,100	132,100		_
REVENUES AND OTHER FINANCING SOURCES UNDER EXPENDITURES	¢	102.025	¢	E0 725	172 605	¢	114 070
AND OTHER FINANCING USES	\$	102,935	<u>\$</u>	58,735	173,605	\$	114,870
Fund Balance - Beginning of Year					 413,575		
FUND BALANCE - END OF YEAR					\$ 587,180		

CITY OF PLEASANT HILL, MISSOURI BUDGETARY COMPARISON SCHEDULE CAPITAL PROJECTS FUND (UNAUDITED) YEAR ENDED MARCH 31, 2024

REVENUES		Original Budget	 Final Budget	 Actual	P	riance ositive egative)
Intergovernmental Revenue	\$	85,805	\$ 85,805	\$ 85,805	\$	_
Total Revenues	<u> </u>	85,805	 85,805	 85,805	<u> </u>	-
EXPENDITURES						
Capital Outlay		175,805	175,805	 172,902		2,903
Total Expenditures		175,805	 175,805	 172,902		2,903
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$	(90,000)	\$ (90,000)	(87,097)	\$	2,903
Fund Balance - Beginning of Year				 312,091		
FUND BALANCE - END OF YEAR				\$ 224,994		

APPENDIX C

SUMMARY OF THE BOND ORDINANCE

The following is a summary of certain provisions contained in the Bond Ordinance. The following is not a comprehensive description, however, and is qualified in its entirety by reference to the Bond Ordinance for a complete recital of the terms thereof.

Definitions

In addition to words and terms defined elsewhere in this Official Statement, the following are definitions of certain words and terms used in the Bond Ordinance and this Official Statement unless the context clearly otherwise requires. Reference is hereby made to the Bond Ordinance for complete definitions of all terms.

- "Accountant" means an independent certified public accountant or firm of certified public accountants.
- "Act" means Chapter 250, RSMo.
- "Average Annual Debt Service" means the average of the Debt Service Requirements as computed for the then current and all future fiscal years.
- **"Bond Counsel"** means Gilmore & Bell, P.C., Kansas City, Missouri, or any other attorney or firm of attorneys with a nationally recognized standing in the field of municipal bond financing selected by the City.
- **"Bond Payment Date"** means any date on which principal of or interest on any Bond is payable at the Maturity thereof or on any Interest Payment Date.
- **"Bond Register"** means the books for the registration, transfer and exchange of Bonds kept at the office of the Paying Agent.
- **"Bondowner," "Owner"** or **"Registered Owner"** when used with respect to any Bond means the Person in whose name such Bond is registered on the Bond Register.
- **"Bonds"** means the Combined Waterworks and Sewerage System Revenue Bonds, Series 2024, of the City, in the original principal amount of \$2,625,000*.
- **"Business Day"** means a day, other than a Saturday, Sunday or holiday, on which the Paying Agent is scheduled in the normal course of its operations to be open to the public for conduct of its banking operations.
- "Cede & Co." means Cede & Co., as nominee name of The Depository Trust Company, New York, New York, and any successor nominee with respect to the Bonds.
 - "City" means the City of Pleasant Hill, Missouri, and any successors or assigns.
- **"Code"** means the Internal Revenue Code of 1986, as amended, and the applicable regulations of the Treasury Department proposed or promulgated thereunder.
- "Consultant" means a registered municipal advisor, an Accountant, or an independent engineer or engineering firm having a favorable reputation for skill and experience in the construction, financing and operation of public utilities and the preparation of management studies and financial feasibility studies in

-

^{*} Preliminary, subject to change.

connection therewith, selected by the City for the purpose of carrying out the duties imposed on the Consultant by the Ordinance.

"Dated Date" means the date of original issuance and delivery of the Bonds specified in the Ordinance.

"Debt Service Account" means the Debt Service Account for Combined Waterworks and Sewerage System Revenue Bonds, Series 2024, created by the Ordinance.

"Debt Service Requirements" means the aggregate principal payments (including scheduled mandatory redemption requirements) and net interest or interest-like payments (net of any Subsidy Payments) on all System Revenue Bonds for the period of time for which calculated; provided, however, that for purposes of calculating such amount, principal and interest shall be excluded from the determination of Debt Service Requirements to the extent that such principal or interest is payable from amounts deposited in trust, escrowed or otherwise set aside for the payment thereof with the paying agent for such System Revenue Bonds or other commercial bank or trust company having full trust powers under the laws of the State of Missouri.

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

"Defeasance Obligations" means any of the following obligations:

- (a) United States Government Obligations that are not subject to redemption in advance of their maturity dates; or
- (b) obligations of any state or political subdivision of any state, the interest on which is excluded from gross income for federal income tax purposes and which meet the following conditions:
 - (1) the obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;
 - (2) the obligations are secured by cash or United States Government Obligations that may be applied only to principal of, premium, if any, and interest payments on such obligations;
 - (3) such cash and the principal of and interest on such United States Government Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the obligations;
 - (4) such cash and United States Government Obligations serving as security for the obligations are held in an escrow fund by an escrow agent or a trustee irrevocably in trust;
 - (5) such cash and United States Government Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and
 - (6) the obligations are rated in a rating category by Moody's or S&P Global Ratings that is no lower than the rating category then assigned by that rating agency to United States Government Obligations.

"Depreciation and Replacement Account" means the account by that name ratified and confirmed by the Ordinance.

- "Expenses" means all reasonable and necessary expenses of operation, maintenance and repair of the System and keeping the System in good repair and working order (other than interest paid on System Revenue Bonds and depreciation and amortization charges during the period of determination), determined in accordance with generally accepted accounting principles, including without limiting the generality of the foregoing, current maintenance charges, expenses of reasonable upkeep and repairs, salaries, wages, costs of materials and supplies, Paying Agent fees and expenses, annual audits, properly allocated share of charges for insurance, the cost of purchased water, gas and power, if any, obligations (other than for borrowed money or for rents payable under capital leases) incurred in the ordinary course of business, liabilities incurred by endorsement for collection or deposit of checks or drafts received in the ordinary course of business, short-term indebtedness incurred and payable within a particular fiscal year, other obligations or indebtedness incurred for the purpose of leasing (pursuant to a true or operating lease) equipment, fixtures, inventory or other personal property, and all other expenses incident to the operation of the System, but shall exclude all general administrative expenses of the City not related to the operation of the System.
- **"FAST Agent"** means the Paying Agent when acting as agent for the Securities Depository, as defined in the Ordinance, in accordance with rules established by the Securities Depository for Fast Automated Securities Transfers.
- **"Federal Tax Agreement"** means the City's Federal Tax Agreement relating to the Bonds, as the same may be amended or supplemented in accordance with the provisions thereof.
 - "Interest Payment Date" means the Stated Maturity of an installment of interest on any Bond.
- "Maturity" when used with respect to any Bond means the date on which the principal of such Bond becomes due and payable as therein and provided in the Ordinance, whether at the Stated Maturity thereof or by call for redemption or otherwise.
 - "Net Revenues" means all Revenues less all Expenses.
- "Operation and Maintenance Account" means the account by that name ratified and confirmed by the Ordinance.
- "Ordinance" means the Ordinance of the City authorizing the issuance of the Bonds, as from time to time amended in accordance with the terms thereof.
- "Outstanding," when used with reference to Bonds, means, as of any particular date of determination, all Bonds theretofore issued and delivered under the Ordinance, except the following Bonds:
 - (a) Bonds theretofore cancelled by the Paying Agent or delivered to the Paying Agent for cancellation:
 - (b) Bonds deemed to be paid in accordance with the provisions of the Ordinance; and
 - (c) Bonds in exchange for or in lieu of which other Bonds have been registered and delivered under the Ordinance.
- "Parity Bonds" means the Previously Issued Parity Bonds and any additional bonds or other obligations hereafter issued or incurred pursuant to the Ordinance and standing on a parity and equality with the Bonds with respect to the payment of principal and interest from the Net Revenues of the System.
- **"Parity Ordinances"** means the Previously Issued Parity Ordinances and the ordinance or ordinances under which any additional Parity Bonds are hereafter issued pursuant to the Ordinance.

"Participants" means those financial institutions for whom the Securities Depository effects bookentry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

"Paying Agent" means UMB Bank, N.A., Kansas City, Missouri, and any successors and assigns.

"Permitted Investments" means any of the following securities and obligations, if and to the extent the same are at the time legal for investment of the moneys held in the funds and accounts listed in the Ordinance:

- (a) United States Government Obligations;
- (b) certificates of deposit or time deposits, whether negotiable or nonnegotiable, issued by any bank or trust company organized under the laws of the United States or any state, provided that such certificates of deposit or time deposits shall be either (1) continuously and fully insured by the Federal Deposit Insurance Corporation, or (2) continuously and fully secured by United States Government Obligations which shall have a market value, exclusive of accrued interest, at all times at least equal to the principal amount of such certificates of deposit or time deposits; and
- (c) any other securities or investments that are lawful for the investment of moneys held in such funds or accounts under the laws of the State of Missouri.

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

"Previously Issued Parity Bonds" means the outstanding Series 2015A Bonds and the outstanding Series 2023 Bonds.

"Previously Issued Parity Ordinances" means the Series 2015A Ordinance and the Series 2023 Ordinance.

"Project" means extending and improving the combined waterworks and sewerage system of the City, including acquiring land and rights of way, as authorized by voters at the 2024 Election.

"Purchaser"	means	ſ	1. ť	he	orig	ginal	purc	haser	of	the	Bonds.

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

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

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

"Revenue Fund" means the fund by that name ratified and confirmed by the Ordinance.

"Revenues" means all income and revenues derived from the ownership and operation of the System, including sales tax revenues and/or other legally available moneys which have been annually appropriated by the City for the payment of improvements to or expenses of the combined waterworks and sewerage system, investment and rental income, net proceeds from business interruption insurance, sales tax revenues which have

been annually appropriated by the City or which are limited solely to the payment of improvements to or expenses of the System, and any amounts deposited in escrow in connection with the acquisition, construction, remodeling, renovation and equipping of System facilities to be applied during the period of determination to pay interest on System Revenue Bonds, but excluding any profits or losses on the early extinguishment of debt or on the sale or other disposition, not in the ordinary course of business, of investments or fixed or capital assets.

"Securities Depository" means, initially, The Depository Trust Company, New York, New York, and its successors and assigns.

"Series 2015A Bonds" means the Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2015A, of the City, dated December 9, 2015, issued in the original principal amount of \$3,445,000.

"Series 2023 Bonds" means the Combined Waterworks and Sewerage System Revenue Bonds, Series 2023, of the City, dated June 28, 2023, issued in the original principal amount of \$2,000,000.

"Series 2015A Ordinance" means Ordinance No. 1754 of the City passed on November 23, 2015, authorizing the issuance of the Series 2015A Bonds.

"Series 2023 Ordinance" means Ordinance No. [____] of the City passed on April 23, 2023, authorizing the issuance of the Series 2023 Bonds.

"Series 2024 Project Fund" means the fund by that name created by the Ordinance.

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

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

"Subsidy Payments" means funds received by the City that either (1) must be used, or (2) have been and are expected to continue to be used, to reduce the interest or principal payments on System Revenue Bonds. Such Subsidy Payments would include, but are not limited to (a) payments received by the City through a federal or State of Missouri program, or (b) payments related to an interest rate swap, exchange, hedge or similar agreement.

"Surplus Account" means the account by that name ratified and confirmed by the Ordinance.

"System" means the entire combined waterworks plant and system and sewerage plant and system owned and operated by the City for the production, storage, treatment and distribution of water, and for the collection, treatment and disposal of sewage, to serve the needs of the City and its inhabitants and others, including all appurtenances and facilities connected therewith or relating thereto, together with all extensions, improvements, additions and enlargements thereto hereafter made or acquired by the City.

"System Revenue Bonds" means collectively the Bonds and all other revenue bonds or other obligations which are payable out of, or secured by an interest in, the Net Revenues of the System.

"United States Government Obligations" means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America, including evidences of a direct ownership interest in future interest or principal payments on obligations issued or guaranteed by the United States of America (including the interest component of obligations of the Resolution Funding Corporation), or securities which represent an undivided interest in such obligations, which obligations

are rated in the same rating category or higher as the United States of America by a nationally recognized rating service and such obligations are held in a custodial account for the City's benefit.

Security for the Bonds

The Bonds shall be special obligations of the City payable solely from, and secured as to the payment of principal and interest by a pledge of, the Net Revenues of the System, and the City pledges said Net Revenues to the payment of the principal of and interest on the Bonds under the Ordinance. The Bonds shall not be or constitute a general obligation of the City, nor shall they constitute an indebtedness of the City within the meaning of any constitutional or statutory provision, limitation or restriction, and the taxing power of the City is not pledged to the payment of the Bonds either as to principal or interest.

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

Establishment of Funds and Accounts

The Ordinance creates or ratifies and orders to be established and maintained in the treasury of the City the following separate funds and accounts to be known respectively as the:

- (a) Combined Waterworks and Sewerage System Series 2024 Project Fund (the "Series 2024 Project Fund");
- (b) Combined Waterworks and Sewerage System Revenue Fund (the "Revenue Fund");
- (c) Combined Waterworks and Sewerage System Operation and Maintenance Account (the "Operation and Maintenance Account");
- (d) Debt Service Account for Combined Waterworks and Sewerage System Refunding Revenue Bonds, Series 2015A (the "Series 2015A Debt Service Account");
- (e) Debt Service Account for Combined Waterworks and Sewerage System Revenue Bonds, Series 2023 (the "Series 2023 Debt Service Account");
- (f) Debt Service Account for Combined Waterworks and Sewerage System Bonds, Series 2024 (the "Debt Service Account");
- (g) Combined Waterworks and Sewerage System Depreciation and Replacement Account (the "Depreciation and Replacement Account"); and
- (h) Combined Waterworks and Sewerage System Surplus Account (the "Surplus Account").

The funds and accounts referred to in paragraphs (b), (c) and (h) above shall be maintained and administered by the City solely for the purposes and in the manner as provided in the Act and in the Ordinance and the Previously Issued Parity Ordinances so long as any of the Bonds or the Previously Issued Parity Bonds

remain outstanding within the meaning of the Ordinance or the Previously Issued Parity Ordinances, respectively. The accounts referred to in paragraphs (d) and (g) above shall be maintained and administered by the City solely for the purposes and in the manner as provided in the Act and the Series 2015A Ordinance so long as any of the Series 2015A Bonds remain outstanding within the meaning of said Series 2015A Ordinance. The account referred to in paragraph (e) above shall be maintained and administered by the City solely for the purposes and in the manner as provided in the Act and the Series 2023 Ordinance so long as any of the Series 2023 Bonds remain outstanding within the meaning of said Series 2023 Ordinance. The accounts referred to in paragraphs (a) and (f) above shall be maintained and administered by the City solely for the purposes and in the manner as provided in the Act and in the Ordinance so long as any of the Bonds remain Outstanding.

Application of Moneys in the Series 2024 Project Fund

Moneys in the Series 2024 Project Fund shall be used solely for the purpose of paying the costs of the Project as provided in the Ordinance in accordance with the plans and specifications therefor prepared by the City's Consultant for the Project, as approved by the City Council of the City and on file in the office of the City Clerk, including any alterations in or amendments to said plans and specifications deemed advisable by the Consultant and approved by the City Council of the City incident to the issuance of the Bonds.

Withdrawals from the Series 2024 Project Fund shall be made only when authorized by the City Council and only on duly authorized and executed warrants or vouchers therefor accompanied by a certificate executed by the Consultant that such payment is being made for a purpose within the scope of the Ordinance and that the amount of such payment represents only the contract price of the property, equipment, labor, materials or service being paid for or, if such payment is not being made pursuant to an express contract, that such payment is not in excess of the reasonable value thereof.

Upon completion of the Project as provided in the Ordinance, any surplus moneys remaining in the Series 2024 Project Fund and not required for the payment of unpaid costs thereof shall be deposited in the Debt Service Account and applied to the payment of the next payment of principal due on the Bonds.

Revenue Fund

The City covenants and agrees that from and after the delivery of the Bonds and continuing as long as any of the Bonds remain Outstanding under the Bond Ordinance, all of the Revenues shall as and when received be paid and deposited into the Revenue Fund unless otherwise specifically provided by the Ordinance. Said Revenues shall be segregated and kept separate and apart from all other moneys, revenues, funds and accounts of the City and shall not be commingled with any other moneys, revenues, funds and accounts of the City. The Revenue Fund shall be administered and applied solely for the purposes and in the manner provided in the Ordinance.

Application of Moneys in Funds and Accounts

The City covenants and agrees that from and after the delivery of the Bonds and continuing so long as any of the Bonds shall remain Outstanding, it will on the first day of each month administer and allocate all of the moneys then held in the Revenue Fund as follows:

- (a) Operation and Maintenance Account. There shall first be paid and credited to the Operation and Maintenance Account an amount sufficient to pay the estimated Expenses during the ensuing month. All amounts paid and credited to the Operation and Maintenance Account shall be expended and used by the City solely for the purpose of paying the Expenses of the System.
- (b) Debt Service Account. There shall next be paid and credited to the Debt Service Account, to the extent necessary to meet on each Bond Payment Date the payment of all interest on and principal of the Bonds, the following sums:

- (1) Beginning with the first of said deposits and continuing on the first day of each month thereafter to and including May 1, 2025, an equal pro rata portion of the amount of interest becoming due on the Bonds on June 1, 2025; and thereafter, beginning on June 1, 2025, and continuing on the first day of each month thereafter so long as any of the Bonds shall remain outstanding and unpaid, an amount not less than 1/6 of the amount of interest that will become due on the Bonds on the next succeeding Interest Payment Date; and
- (2) Beginning with the first of said deposits and continuing on the first day of each month thereafter to and including November 1, 2026, an equal pro rata portion of the amount of principal becoming due on the Bonds on December 1, 2026; and thereafter, beginning on December 1, 2026, and continuing on the first day of each month thereafter so long as any of the Bonds shall remain outstanding and unpaid, an amount not less than 1/12 of the amount of principal that will become due on the Bonds on the next succeeding Maturity.

The amounts required to be paid and credited to the Debt Service Account pursuant to the Ordinance shall be so paid at the same time and on a parity with the amounts at the time required to be paid and credited to the debt service accounts established for the payment of principal and interest on Parity Bonds under the provisions of the Parity Ordinances.

Any Subsidy Payments received by the City and applied to debt service or amounts deposited in the Debt Service Account as accrued interest or as capitalized interest in accordance with the Ordinance or as unused proceeds in accordance with the Ordinance shall be credited against the City's payment obligations as set forth in the Ordinance.

If at any time the moneys in the Revenue Fund are insufficient to make in full the payments and credits at the time required to be made to the Debt Service Account and to the debt service accounts established to pay the principal of and interest on any Parity Bonds, the available moneys in the Revenue Fund shall, unless otherwise directed by (any of) the Previously Issued Parity Ordinances, be divided among such debt service accounts in proportion to the respective principal amounts of said series of bonds at the time outstanding which are payable from the moneys in said debt service accounts.

All amounts paid and credited to the Debt Service Account shall be expended and used by the City for the sole purpose of paying the interest on and principal of the Bonds as and when the same become due on each Bond Payment Date.

- Depreciation and Replacement Account. There shall next be paid and credited to the Depreciation and Replacement Account any amounts at the time required to be paid and credited to said Account under the provisions of the Previously Issued Parity Ordinances or of the ordinances authorizing additional System Revenue Bonds hereafter issued. Except as provided in the Ordinance, moneys in the Depreciation and Replacement Account shall be expended and used by the City, if no other funds are available therefor, solely for the purpose of making unusual or extraordinary replacements and repairs in and to the System as may be necessary to keep the System in good repair and working order and to assure the continued effective and efficient operation thereof, including replacing or repairing portions of the System or major items of any plant or equipment which either have been fully depreciated and are worn out or have become obsolete, inefficient or uneconomical, or for the purpose of extending, improving or enlarging the System.
- (d) Surplus Account. After all payments and credits required at the time to be made under the provisions of the foregoing paragraphs have been made, all moneys remaining in the Revenue Fund shall be paid and credited to the Surplus Account. Moneys in the Surplus Account may be expended and used for the following purposes as determined by the City Council of the City:

- (1) Paying Expenses of the System to the extent that may be necessary after the application of the moneys held in the Operation and Maintenance Account under the provisions of paragraph (a) above;
 - (2) Paying the cost of extending, enlarging or improving the System;
- (3) Preventing default in, anticipating payments into or increasing the amounts in the debt service accounts or debt service reserve accounts for System Revenue Bonds or the Depreciation and Replacement Account, or any one of them, said payments made to prevent default to be made in the order prescribed in the Ordinance or in the applicable sections of ordinances authorizing additional System Revenue Bonds hereafter issued, or establishing or increasing the amount of any debt service account or debt service reserve account created by the City for the payment of any additional System Revenue Bonds; or
- (4) Calling, redeeming and paying prior to Stated Maturity, or, at the option of the City, purchasing in the open market at the best price obtainable not exceeding the redemption price (if any bonds are callable), the Bonds or any other System Revenue Bonds, including principal, interest and redemption premium, if any; or
- (5) Any other lawful purpose in connection with the operation of the System and benefitting the System.

So long as any of the Bonds remain Outstanding, no moneys derived from the operation of the System shall be diverted to the general governmental or municipal functions of the City.

(e) Deficiency of Payments into Funds and Accounts. If at any time the Revenues shall be insufficient to make any payment on the date or dates specified in the Ordinance, the City will make good the amount of such deficiency by making additional payments or credits out of the first available Revenues thereafter received by the City, such payments and credits being made and applied in the order specified above in the Ordinance.

Transfer of Funds to Paving Agent

The City Administrator or other authorized officer of the City is authorized and directed to withdraw from the Debt Service Account, and, to the extent necessary to prevent a default in the payment of either principal of or interest on the Bonds, from the Surplus Account and from the Depreciation and Replacement Account, sums sufficient to pay the principal of and interest on the Bonds as and when the same become due on any Bond Payment Date, and to forward such sums to the Paying Agent in a manner which ensures the Paying Agent will have available funds in such amounts on or before the Business Day immediately preceding each Bond Payment Date. If, through lapse of time, or otherwise, the Registered Owners of Bonds shall no longer be entitled to enforce payment of their obligations, it shall be the duty of the Paying Agent forthwith to return said funds to the City as provided in the Ordinance. All moneys deposited with the Paying Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in the Ordinance.

Payments Due on Saturdays, Sundays and Holidays

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

Nonpresentment of Bonds

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

Deposit and Investment of Moneys

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

Moneys held in any fund or account referred to in the Ordinance may be invested in Permitted Investments; provided, however, that no such investment shall be made for a period extending longer than the date when the moneys invested may be needed for the purpose for which such fund or account was created. All earnings on any investments held in any fund or account shall accrue to and become a part of the Revenue Fund; provided that during the period of construction of the Project, all earnings on the investment of moneys in the Series 2024 Project Fund shall be credited to the Series 2024 Project Fund. In determining the amount held in any fund or account under any of the provisions of the Ordinance, obligations shall be valued at the lower of the cost or the market value thereof. If and when the amount held in any fund or account shall be in excess of the amount required by the provisions of the Ordinance, the City shall direct that such excess be paid and credited to the Revenue Fund.

So long as any of the Previously Issued Parity Bonds remain outstanding and unpaid, any investments made pursuant to the Ordinance shall be subject to any restrictions in the Previously Issued Parity Ordinances with respect to the funds and accounts created or ratified by and referred to in the Previously Issued Parity Ordinances.

Efficient and Economical Operation

The City will continuously own and will operate the System as a revenue producing System in an efficient and economical manner and will keep and maintain the same in good repair and working order.

Rate Covenant

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

for such fiscal year. The City will require the prompt payment of accounts for service rendered by or through the System and will promptly take whatever action is legally permissible to enforce and collect delinquent charges. The City will, from time to time as often as necessary, in accordance with and subject to applicable legal requirements, revise the rates and charges aforesaid in such manner as may be necessary or proper so that the Net Revenues will be sufficient to cover the obligations of the City under the Ordinance and otherwise under the provisions of the Ordinance.

Reasonable Charges for all Services

None of the facilities or services provided by the System will be furnished to any user (excepting the City itself) without a reasonable charge being made therefor. If the Revenues are at any time insufficient to pay the Expenses of the System and also to pay all interest on and principal of the Bonds as and when the same become due, then the City will thereafter pay into the Revenue Fund a fair and reasonable payment in accordance with effective applicable rates and charges for all use and services furnished to the City by the System, and such payments will continue so long as the same may be necessary in order to prevent or reduce the amount of any default in the payment of the interest on or principal of the Bonds.

Corporate Existence

The City will maintain its corporate identity and existence so long as any of the Bonds remain Outstanding, unless another body corporate and politic by operation of law succeeds to the powers, privileges, rights, liabilities, disabilities and duties of the City and is obligated by law to comply with the terms and provisions of the Ordinance without materially adversely affecting at any time the privileges and rights of any Owner of any Outstanding Bond.

Restrictions on Mortgage or Sale of the System

The City will not mortgage, pledge or otherwise encumber the System or any part thereof, nor will it sell, lease or otherwise dispose of the System or any material part thereof; provided, however, the City may:

- (a) sell at fair market value any portion of the System which shall have been replaced by other similar property of at least equal value, or which shall cease to be necessary for the efficient operation of the System, and in the event of sale, the City will apply the proceeds to either (1) redemption of Outstanding Bonds in accordance with the provisions governing redemption of Bonds in advance of Stated Maturity, or (2) replacement of the property so disposed of by other property the Revenues of which shall be incorporated into the System as provided in the Ordinance;
- (b) cease to operate, abandon or otherwise dispose of any property which has become obsolete, nonproductive or otherwise unusable to the advantage of the City; or
- (c) lease, (1) as lessor, any real or personal property which is unused or unimproved, or which has become obsolete, nonproductive or otherwise unusable to the advantage of the City, or which is being acquired as a part of a lease/purchase financing for the acquisition and/or improvement of such property; and/or (2) as lessee, with an option of the City to purchase, any real or personal property for the extension and improvement of the System. Property being leased as lessor and/or lessee pursuant to this subparagraph (c) shall not be treated as part of the System for purposes of the Ordinance and may be mortgaged, pledged or otherwise encumbered.

Insurance

The City will carry and maintain insurance with respect to the System and its operations against casualties, contingencies and risks (including but not limited to property and casualty, fire and extended coverage insurance upon all of the properties forming a part of the System insofar as the same are of an insurable nature,

public liability insurance, business interruption insurance, worker's compensation and employee dishonesty insurance), such insurance to be of the character and coverage and in such amounts as would normally be carried by other municipalities or public entities engaged in similar activities of comparable size and similarly situated. In the event of loss or damage, the City, with reasonable dispatch, will use the proceeds of such insurance in reconstructing and replacing the property damaged or destroyed, or in paying the claims on account of which such proceeds were received, or if such reconstruction or replacement is unnecessary or impracticable, then the City will pay and deposit the proceeds of such insurance into the Revenue Fund. The City will annually review the insurance it maintains with respect to the System to determine that such insurance is customary and adequate to protect its property and operations. The cost of all insurance obtained pursuant to the requirements of the Ordinance shall be paid as an Expense out of the Revenues.

Books, Records and Accounts

The City will install and maintain proper books, records and accounts (entirely separate from all other records and accounts of the City) in which complete and correct entries will be made of all dealings and transactions of or in relation to the System. Such accounts shall show the amount of Revenues of the System, the application of such Revenues, and all financial transactions in connection therewith. Said books shall be kept by the City according to standard accounting practices as applicable to the operation of facilities comparable to the System.

Annual Audit

Annually, promptly after the end of the fiscal year, the City will cause an audit of the System to be made for the preceding fiscal year by an Accountant to be employed for that purpose and paid from the Revenues. Said annual audit shall cover in reasonable detail the operation of the System during such fiscal year.

Within 30 days after the completion of each such audit, a copy thereof shall be filed in the office of the City Clerk, and a duplicate copy of said audit shall be mailed to the Purchaser of the Bonds. Such audits shall at all times during the usual business hours be open to the examination and inspection by any taxpayer, any user of the services of the System, any Registered Owner of any of the Bonds, or by anyone acting for or on behalf of such taxpayer, user or Registered Owner. A copy of any such audit will, upon request and upon receipt by the City of payment of the reasonable cost of preparing and mailing the same, be sent to any Bondowner or prospective Bondowner.

As soon as possible after the completion of the annual audit, the governing body of the City shall review such audit, and if any audit shall disclose that proper provision has not been made for all of the requirements of the Ordinance, the City will promptly cure such deficiency and will promptly proceed to increase the rates and charges to be charged for the use and services furnished by the System as may be necessary to adequately provide for such requirements.

Right of Inspection

The Purchaser of the Bonds or any Registered Owner or Owners of 10% of the principal amount of the Bonds then Outstanding shall have the right at all reasonable times to inspect the System and all records, accounts and data relating thereto, and shall be furnished all such information concerning the System and the operation thereof which the Purchaser or such Registered Owner or Owners may reasonably request.

Performance of Duties and Covenants

The City will faithfully and punctually perform all duties, covenants and obligations with respect to the operation of the System now or hereafter imposed upon the City by the Constitution and laws of the State of Missouri and by the provisions of the Ordinance.

Tax Covenants

The City covenants and agrees that (1) it will comply with all applicable provisions of the Code necessary to maintain the exclusion from federal gross income of the interest on the Bonds and (2) comply with all provisions and requirements of the Federal Tax Agreement. The Mayor is hereby authorized to execute the Federal Tax Agreement in a form approved by Bond Counsel, for and on behalf of and as the act and deed of the City. The City will also pass such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions in order to ensure that the interest on the Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the City.

The covenants contained in the Ordinance and in the Federal Tax Agreement shall remain in full force and effect notwithstanding the defeasance of the Bonds pursuant to the Ordinance or any other provision of the Ordinance until the final Maturity of all Bonds Outstanding.

Senior Lien Bonds

The City covenants and agrees that so long as any of the Bonds remain Outstanding, the City will not issue any additional bonds or incur or assume any other debt obligations appearing as liabilities on the balance sheet of the System for the payment of moneys determined in accordance with generally accepted accounting principles consistently applied, including capital leases as defined by generally accepted accounting principles, payable out of the Net Revenues of the System or any part thereof which are superior to the Bonds.

Parity Bonds and Other Obligations

The City covenants and agrees that so long as any of the Bonds remain Outstanding, it will not issue any additional bonds or other long-term obligations payable out of the Net Revenues of the System or any part thereof which stand on a parity or equality with the Bonds ("Parity Bonds") unless the following conditions are met:

(a) The City shall not be in default in the payment of principal of or interest on any Bonds or any Parity Bonds at the time outstanding or in making any payment at the time required to be made into the respective funds and accounts created by and referred to in the Ordinance or any Parity Ordinance for Parity Bonds at the time outstanding (unless such additional revenue bonds or obligations are being issued to provide funds to cure such default); and

(b) Either of the following:

(1) The City shall certify that the average annual Net Revenues as set forth in the two most recent annual audits for the fiscal years preceding the issuance of additional bonds is equal to at least 110% of the average annual debt service required to be paid out of Net Revenues in all fiscal years succeeding the issuance of such additional bonds on account of both principal (at maturity or upon mandatory redemption) and interest becoming due with respect to all System Revenue Bonds of the City, including the additional bonds proposed to be issued. In determining the Net Revenues for the purpose of the Ordinance, the City may adjust said Net Revenues by adding thereto, in the event the City shall have made any increase in rates for the use and services of the System and such increase shall not have been in effect during all of the two most recent audited fiscal years preceding the issuance of additional bonds, the amount of the additional Net Revenues which would have resulted from the operation of the System during said two most recent audited fiscal years had such rate increase been in effect for the entire period, as certified by an Accountant or Consultant; or

(2) The estimated average annual Net Revenues for the two fiscal years immediately following the fiscal year in which the improvements to the System, the cost of which is being financed by such additional bonds, are projected to be placed in commercial operation, as determined by a Consultant, is at least 110% of the average annual Debt Service Requirements to be paid out of said Net Revenues in all fiscal years following the fiscal year in which such improvements are projected to be placed in commercial operation on account of both principal (at maturity or upon mandatory redemption) and interest becoming due with respect to all System Revenue Bonds of the City, including the additional bonds proposed to be issued. In determining the amount of estimated Net Revenues for the purpose of the Ordinance, a Consultant may adjust said estimated Net Revenues by adding thereto any estimated increase in Net Revenues resulting from any increase in rates for the use and services of the System which have been approved by the City.

Additional combined waterworks and sewerage system revenue bonds of the City issued under the conditions set forth in in the Ordinance shall stand on a parity with the Bonds and shall enjoy complete equality of lien on and claim against the Net Revenues with the Bonds, and the City may make equal provision for paying said bonds and the interest thereon out of the Revenue Fund and may likewise provide for the creation of reasonable debt service accounts and debt service reserve accounts for the payment of such additional bonds and the interest thereon out of moneys in the Revenue Fund.

Junior Lien Bonds and Other Obligations

Nothing contained in the Ordinance shall prohibit or restrict the right of the City to issue additional revenue bonds or other revenue obligations for any lawful purpose in connection with the operation of the System and to provide that the principal of and interest on said revenue bonds or obligations shall be payable out of the Net Revenues of the System, provided at the time of the issuance of such additional revenue bonds or obligations the City shall not be in default in the performance of any covenant or agreement contained in the Ordinance (unless such additional revenue bonds or obligations are being issued to provide funds to cure such default), and provided further that such additional revenue bonds or obligations shall be junior and subordinate to the Bonds so that if at any time the City shall be in default in paying either interest on or principal of the Bonds, or if the City shall be in default in making any payments required to be made by it under the provisions of the Ordinance, the City shall make no payments of either principal of or interest on said junior and subordinate revenue bonds or obligations until said default or defaults be cured. In the event of the issuance of any such junior and subordinate revenue bonds or obligations, the City, subject to the provisions aforesaid, may make provision for paying the principal of and interest on said revenue bonds or for paying said obligations out of moneys in the Revenue Fund.

Refunding Bonds

The City shall have the right, without complying with the "Parity Bonds and Other Obligations" provisions of the Ordinance, to refund any or all of the Bonds under the provisions of any law then available, and the refunding bonds so issued shall enjoy complete equality of pledge with any of the Bonds which are not refunded, if any, upon the Net Revenues of the System; provided, however, that if only a portion of the Bonds are refunded and if said Bonds are refunded in such manner that the aggregate amount of principal and interest scheduled to become due on the refunding bonds in any fiscal year (taking into account scheduled mandatory redemptions) exceeds the aggregate amount of principal and interest scheduled to become due on the refunded Bonds in said fiscal year (taking into account scheduled mandatory redemptions), then said Bonds may be refunded without complying with such provisions of the Ordinance only by and with the written consent of the Registered Owners of a majority in principal amount of the Bonds not refunded.

Acceleration of Maturity Upon Default

The City covenants and agrees that, if it defaults in the payment of the principal of or interest on any of the Bonds as the same shall become due on any Bond Payment Date, or if the City or its governing body or any of the officers, agents or employees thereof fail or refuse to comply with any of the provisions of the Ordinance or of the constitution or statutes of the State of Missouri, and such default continues for a period of 60 days after written notice specifying such default has been given to the City by the Registered Owner of any Bond then Outstanding, then, at any time thereafter and while such default continues, the Registered Owners of 25% in principal amount of the Bonds then Outstanding may, by written notice to the City filed in the office of the City Clerk or delivered in person to the City Clerk, declare the principal of all Bonds then Outstanding to be due and payable immediately, and upon any such declaration given as aforesaid, all of said Bonds shall become and be immediately due and payable, anything in the Ordinance or in the Bonds contained to the contrary notwithstanding. This provision of the Ordinance, however, is subject to the condition that if at any time after the principal of said Outstanding Bonds has been so declared to be due and payable, all arrears of interest upon all of said Bonds, except interest accrued but not yet due on such Bonds, and all arrears of principal upon all of said Bonds has been paid in full and all other defaults, if any, by the City under the provisions of the Ordinance and under the provisions of the statutes of the State of Missouri have been cured, then and in every such case the Registered Owners of a majority in principal amount of the Bonds then Outstanding, by written notice to the City given as specified in the Ordinance, may rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent default or impair any rights consequent thereon.

Other Remedies

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

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

Limitation on Rights of Bondowners

No one or more Bondowners secured hereby shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for in the Ordinance, or to enforce any right thereunder, except in the manner provided in the Ordinance, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Registered Owners of such Outstanding Bonds.

Remedies Cumulative

No remedy conferred in the Ordinance upon the Bondowners is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred in the Ordinance. No waiver of any default or breach of duty or contract by the Registered Owner of any Bond shall extend to or affect any subsequent

default or breach of duty or contract or shall impair any rights or remedies consequent thereon. No delay or omission of any Bondowner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein. Every substantive right and every remedy conferred upon the Registered Owners of the Bonds by the Ordinance may be enforced and exercised from time to time and as often as may be deemed expedient. If any suit, action or proceedings taken by any Bondowner on account of any default or to enforce any right or exercise any remedy has been discontinued or abandoned for any reason, or shall have been determined adversely to such Bondowner, then, and in every such case, the City and the Registered Owners of the Bonds shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Bondowners shall continue as if no such suit, action or other proceedings had been brought or taken.

No Obligation to Levy Taxes

Nothing contained in the Ordinance shall be construed as imposing on the City any duty or obligation to levy any taxes either to meet any obligation incurred in the Ordinance or to pay the principal of or interest on the Bonds.

Defeasance

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

Amendments

The rights and duties of the City and the Bondowners, and the terms and provisions of the Bonds or of the Ordinance, may be amended or modified at any time in any respect by ordinance of the City with the written consent of the Registered Owners of not less than a majority in principal amount of the Bonds then Outstanding, such consent to be evidenced by an instrument or instruments executed by such Registered Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the City Clerk, but no such modification or alteration shall:

(a) extend the maturity of any payment of principal or interest due upon any Bond;

- (b) effect a reduction in the amount which the City is required to pay by way of principal of or interest on any Bond;
- (c) permit the creation of a lien on the Net Revenues of the System prior or equal to the lien of the Bonds or Parity Bonds;
 - (d) permit preference or priority of any Bonds over any other Bonds; or
- (e) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of the Ordinance.

Any provision of the Bonds or of the Ordinance may, however, be amended or modified by ordinance duly adopted by the governing body of the City at any time in any respect with the written consent of the Registered Owners of all of the Bonds at the time Outstanding.

Without notice to or the consent of any Bondowners, the City may amend or supplement the Ordinance for the purpose of curing any formal defect, omission, inconsistency or ambiguity therein or in connection with any other change therein which is not materially adverse to the interests of the Bondowners.

Every amendment or modification of the provisions of the Bonds or of the Ordinance to which the written consent of the Bondowners is given, as above provided, shall be expressed in an ordinance passed by the governing body of the City amending or supplementing the provisions of the Ordinance and shall be deemed to be a part of the Ordinance. Any and all modifications made in the manner provided in the Ordinance shall not become effective until there has been filed with the City Clerk a copy of the ordinance of the City therein provided for, duly certified, as well as proof of any required consent to such modification by the Registered Owners of the Bonds then Outstanding. It shall not be necessary to note on any of the Outstanding Bonds any reference to such amendment or modification. A certified copy of every such amendatory or supplemental proceedings and a certified copy of the Ordinance shall be made available for inspection by the Registered Owner of any Bond or a prospective purchaser or owner of any Bond authorized by the Ordinance, and upon payment of the reasonable cost of preparing the same, a certified copy of any such amendatory or supplemental proceedings or of the Ordinance will be sent by the City Clerk to any such Bondowner or prospective Bondowner.

The City shall furnish to the Paying Agent a copy of any amendment to the Bonds or the Ordinance made hereunder which affects the duties or obligations of the Paying Agent under the Ordinance.

* * *

THIS PAGE INTENTIONALLY

LEFT BLANK

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This CONTINUING DISCLOSURE UNDERTAKING dated as of December 19, 2024 (the "Continuing Disclosure Undertaking"), is executed and delivered by the CITY OF PLEASANT HILL, MISSOURI (the "City").

RECITALS

- 1. This Continuing Disclosure Undertaking is being executed and delivered in connection with the delivery by the City of Combined Waterworks and Sewerage System Revenue Bonds, Series 2024 (the "Bonds"), pursuant to an ordinance adopted by the governing body of the City (the "Bond Ordinance").
- 2. The City is entering into this Continuing Disclosure Undertaking for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule"). The City is the only "obligated person" with responsibility for continuing disclosure hereunder.

The City covenants and agrees as follows:

- **Section 1. Definitions.** In addition to the definitions set forth in the Bond Ordinance, which apply to any capitalized term used in this Continuing Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:
- "Annual Report" means any Annual Report provided by the City pursuant to, and as described in, Section 2 of this Continuing Disclosure Undertaking.
- "Beneficial Owner" means any registered owner of any Bonds and any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.
- "Business Day" means a day other than (a) a Saturday, Sunday or legal holiday, (b) a day on which banks located in any city in which the principal office or designated payment office of the paying agent or the Dissemination Agent is located are required or authorized by law to remain closed, or (c) a day on which the Securities Depository or the New York Stock Exchange is closed.
- "Dissemination Agent" means any entity designated in writing by the City to serve as dissemination agent pursuant to this Continuing Disclosure Undertaking and which has filed with the City a written acceptance of such designation.
- **"EMMA"** means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org.
- "Financial Obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; provided however, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the twelve-month period beginning on April 1 and ending on March 31 or any other 12-month period selected by the City as the Fiscal Year of the City for financial reporting purposes.

"Material Events" means any of the events listed in Section 3 of this Continuing Disclosure Undertaking.

"MSRB" means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

"Participating Underwriter" means any of the original underwriter(s) of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

Section 2. Provision of Annual Reports.

- (a) The City shall, not later than **December 31st** after the end of the City's Fiscal Year, commencing with the Fiscal Year ending March 31, 2025, file with the MSRB, through EMMA, the following financial information and operating data (the "**Annual Report**"):
 - (1) The audited financial statements of the City for the prior Fiscal Year, prepared in accordance with accounting principles described in the notes to the financial statements contained in *Appendix B* to the final Official Statement related to the Bonds. If audited financial statements are not available by the time the Annual Report is required to be provided pursuant to this Section, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement relating to the Bonds, and the audited financial statements shall be provided in the same manner as the Annual Report promptly after they become available.
 - (2) Updates as of the end of the Fiscal Year of certain financial information and operating data contained in the final Official Statement related to the Bonds, as described in **Exhibit A**, in substantially the same format contained in the final Official Statement with such adjustments to formatting or presentation determined to be reasonable by the City.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the City is an "obligated person" (as defined by the Rule), which have been provided to the MSRB and are available through EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB on EMMA. The City shall clearly identify each such other document so included by reference.

In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in this Section; <u>provided</u> that the audited financial statements of the City may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the City's Fiscal Year changes, it shall give notice of such change in the same manner as for a Material Event under **Section 3**, and the Annual Report deadline provided above shall automatically become the last day of the sixth month after the end of the City's new fiscal year.

(b) The Annual Report shall be filed with the MSRB in such manner and format as is prescribed by the MSRB.

- **Section 3.** Reporting of Material Events. Not later than 10 Business Days after the occurrence of any of the following events, the City shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Bonds ("Material Events"):
 - (1) principal and interest payment delinquencies;
 - (2) non-payment related defaults, if material;
 - unscheduled draws on debt service reserves reflecting financial difficulties;
 - (4) unscheduled draws on credit enhancements reflecting financial difficulties;
 - (5) substitution of credit or liquidity providers, or their failure to perform;
 - (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
 - (7) modifications to rights of bondholders, if material;
 - (8) bond calls, if material, and tender offers;
 - (9) defeasances;
 - (10) release, substitution or sale of property securing repayment of the Bonds, if material;
 - (11) rating changes;
 - (12) bankruptcy, insolvency, receivership or similar event of the obligated person;
 - (13) the consummation of a merger, consolidation, or acquisition involving the obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
 - (14) appointment of a successor or additional trustee or the change of name of the trustee, if material;
 - incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
 - (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

If the City has not submitted the Annual Report to the MSRB by the date required in **Section 2(a)**, the City shall send a notice to the MSRB, in substantially the form attached hereto as **Exhibit B**, of the failure of the City to file on a timely basis the Annual Report, which notice shall be given by the City in accordance with this **Section 3**.

Section 4. Termination of Reporting Obligation. The City's obligations under this Continuing Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the City's obligations under this Continuing Disclosure Undertaking are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Undertaking in the same manner as if it were the City, and the City shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the City shall give notice of such termination or substitution in the same manner as for a Material Event under Section 3.

Section 5. Dissemination Agents. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign as dissemination agent hereunder at any time upon 30 days prior written notice to the City. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the City pursuant to this Continuing Disclosure Undertaking.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Undertaking, the City may amend this Continuing Disclosure Undertaking and any provision of this Continuing Disclosure Undertaking may be waived, provided that Bond Counsel or other counsel experienced in federal securities law matters provides the City with its written opinion that the undertaking of the City contained herein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to this Continuing Disclosure Undertaking.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Undertaking, the City shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given in the same manner as for a Material Event under **Section 3**, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

- **Section 7.** Additional Information. Nothing in this Continuing Disclosure Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that required by this Continuing Disclosure Undertaking. If the City chooses to include any information in any Annual Report or notice of occurrence of a Material Event, in addition to that specifically required by this Continuing Disclosure Undertaking, the City shall have no obligation under this Continuing Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.
- **Section 8. Default.** If the City fails to comply with any provision of this Continuing Disclosure Undertaking, any Participating Underwriter or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with its obligations under this Continuing Disclosure Undertaking. A default under this Continuing Disclosure Undertaking shall not be deemed an event of default under the Bond Ordinance or the Bonds, and the sole remedy under this Continuing Disclosure Undertaking in the event of any failure of the City to comply with this Continuing Disclosure Undertaking shall be an action to compel performance.
- **Section 9. Beneficiaries.** This Continuing Disclosure Undertaking shall inure solely to the benefit of the City, the Participating Underwriter, and the Beneficial Owners from time to time of the Bonds and shall create no rights in any other person or entity.
- **Section 10. Severability.** If any provision in this Continuing Disclosure Undertaking, the Bond Ordinance or the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.
- **Section 11. Electronic Transactions.** The arrangement described herein may be conducted and related documents may be sent, received, or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 12. Governing Law. This Continuing Disclosure Undertaking shall be governed by and construed in accordance with the laws of the State of Missouri.

IN WITNESS WHEREOF, the City has caused this Continuing Disclosure Undertaking to be executed as of the day and year first above written.

CITY OF PLEASANT HILL, MISSOURI

By:	
Title:	Mayor

EXHIBIT A TO CONTINUING DISCLOSURE UNDERTAKING

FINANCIAL INFORMATION AND OPERATING DATA TO BE INCLUDED IN ANNUAL REPORT

The financial information and operating data contained in the tables under the following described sections in **APPENDIX A** of the final Official Statement:

HISTORY AND OPERATION OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM:

- Customers and Operation of the System:
 - o *Number of Water and Sewer Customers* (average no. of water customers and average no. of sewer customers tables)(each of last five Fiscal Years ended)
- City Water Rates
- City Sewer Rates

FINANCIAL INFORMATION CONCERNING THE SYSTEM:

• Historical Debt Service Coverage (table)(for last completed Fiscal Year)

EXHIBIT B TO CONTINUING DISCLOSURE AGREEMENT

FORM OF FAILURE TO FILE NOTICE

Event Notice Pursuant to SEC Rule 15c2-12(b)(5)(C)

Issuer/Obligated Person:	City of Pleasant Hill, M	Iissouri	
Issues to which this Notice relates:	Combined Waterworks and Sewerage System Revenue Bonds, Series 2024		
CUSIP Numbers for Issue to wh	nich this Notice relates:		
	Maturity Date	CUSIP Number	
Event Reported:	Failure to Timely File Statements	le Annual Financial Information/Audited Financial	
		rating data for the fiscal year ended March 31, 20 RB through EMMA on, 20	
		ed financial statements for the fiscal year ended March] [*were*] filed with the MSRB through EMMA on	
contractual undertakings the Contained in the undertaking or Person that the information inc	Obligated Person made this Notice is, or should luded in this Notice cons	een submitted by the Obligated Person pursuant to in accordance with SEC Rule 15c2-12. Nothing I be construed as, a representation by the Obligated stitutes all of the information that may be material securities listed above, or any other securities of the	
For additional information, con	ntact:		
Shelby Teufel, City Adn City of Pleasant Hill, Mi 203 Paul Street Pleasant Hill, Missouri 6 (816) 540-3135 shelbyt@pleasanthill.com	ssouri 4080		
Date Submitted: [Date]			

CITY OF PLEASANT HILL, MISSOURI

THIS PAGE INTENTIONALLY

LEFT BLANK

APPENDIX E

BOOK-ENTRY ONLY SYSTEM

The following information concerning DTC and DTC's Book-Entry Only System has been obtained from sources that the City believes to be reliable, but is not guaranteed as to accuracy or completeness by and is not to be construed as a representation by the City, the Paying Agent or the Underwriter. The City, the Paying Agent and the Underwriter make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners will act in accordance with the procedures described above or in a timely manner.

General. Ownership interests in the Bonds will be available to purchasers only through a book-entry only system (the "Book-Entry Only System") maintained by The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Initially, the Bonds will be issued as fully-registered securities, registered in the name of Cede & Co. (DTC'S partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. The following discussion will not apply to any Bonds issued in certificate form due to the discontinuance of the DTC Book-Entry Only System, as described below.

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

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

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

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

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

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

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

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

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC. If, however, the system of book-entry-only transfers has been discontinued and a Direct Participant has elected to withdraw its Bonds from DTC (or such successor securities depository), Bond certificates may be delivered to

Beneficial Owners in the manner described herein under the caption "Registration, Transfer and Exchange of Bonds Upon Discontinuance of Book-Entry Only System."

None of the Underwriter, the Paying Agent nor the City will have any responsibility or obligations to any Direct Participants or Indirect Participants or the persons for whom they act with respect to (i) the accuracy of any records maintained by DTC or any such Direct Participant or Indirect Participant; (ii) the payment by any Participant of any amount due to any Beneficial Owner in respect of the principal or redemption price or interest on the Bonds; (iii) the delivery by any such Direct Participant or Indirect Participant of any notice to any Beneficial Owner that is required or permitted under the terms of the Bond Ordinance to be given to owners of the Bonds; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (v) any consent given or other action taken by DTC as Bondholder.

THIS PAGE INTENTIONALLY

LEFT BLANK

APPENDIX F

FORM OF OPINION OF BOND COUNSEL

December 19, 2024

City of Pleasant Hill, Missouri

[Underwriter] [Underwriter City, State]

Re: \$2,625,000* City of Pleasant Hill, Missouri, Combined Waterworks and Sewerage System Revenue Bonds, Series 2024

Ladies and Gentlemen:

We have acted as bond counsel to the City of Pleasant Hill, Missouri (the "City") in connection with the issuance by the City of the above-captioned bonds (the "Bonds"). In this capacity, we have examined the law and the certified proceedings, certifications and other documents that we deem necessary to render this opinion.

The Bonds are issued pursuant to an Ordinance passed by the City Council of the City on December 9, 2024 (the "Ordinance"). Capitalized terms used and not otherwise defined in this opinion have the meanings assigned to those terms in the Ordinance.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify them by independent investigation.

Based on and subject to the foregoing, we are of the opinion, under existing law, as follows:

- 1. The City is validly existing as a special charter city and political subdivision of the State of Missouri with the power to pass the Ordinance, perform the agreements on its part contained therein, and issue the Bonds.
- 2. The Bonds have been duly authorized, executed and delivered by the City and are valid and legally binding special obligations of the City.
- 3. The Bonds are payable solely from the Net Revenues derived by the City from the ownership and operation of the System. The Bonds do not constitute general obligations of the City and do not constitute an indebtedness of the City within the meaning of any constitutional or statutory provision, limitation or restriction. The taxing power of the City is not pledged to the payment of the Bonds.
- 4. The Ordinance has been duly passed by the City Council of the City and constitutes a valid and legally binding obligation of the City enforceable against the City. The Ordinance creates a valid lien on the Net Revenues of the System pledged by the Ordinance for the security of the Bonds on a parity with the Previously Issued Parity Bonds and any other bonds to be issued as Parity Bonds in accordance with the Ordinance.
- 5. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) (i) is excludable from gross income for federal income tax purposes, (ii) is exempt from income taxation by the State of Missouri, and (iii) is not an item of tax preference for purposes of computing the federal alternative

minimum tax. The opinions set forth in this paragraph are subject to the condition that the City complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The City has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the Bonds to be included in gross income for federal and Missouri income tax purposes retroactive to the date of issuance of the Bonds. The Bonds have not been designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

We express no opinion regarding the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement). Further, we express no opinion regarding the perfection or priority of the lien on the Net Revenues of the System or any other funds pledged under the Ordinance or tax consequences arising with respect to the Bonds other than as expressly set forth in this opinion.

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

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

Very truly yours,