

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 14, 2025

NEW ISSUE
BOOK ENTRY ONLY

S&P RATING: "AA"
See "RATING" herein.

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the City, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the Bonds (including any original issue discount properly allocable to an owner thereof) (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.



CITY OF O'FALLON, MISSOURI

\$30,060,000*
SPECIAL OBLIGATION BONDS
SERIES 2025A

\$23,735,000*
SPECIAL OBLIGATION BONDS
SERIES 2025B

Dated: Date of Delivery

Due: November 1, as shown on the inside cover

The Special Obligation Bonds, Series 2025A (the "Series 2025A Bonds") and the Special Obligation Bonds, Series 2025B (the "Series 2025B Bonds" and, together with the Series 2025A Bonds, the "Bonds") will be issued as fully-registered bonds and will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"). The Bonds will be issued in denominations of \$5,000 or any integral multiple thereof. Principal will be payable annually on November 1, beginning on November 1, 2026. Semiannual interest will be payable on May 1 and November 1, beginning on May 1, 2026.

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

The payment of the principal of and interest on the Bonds is subject to annual appropriation by the City. The City is not required or obligated to make any such annual appropriation. No property of the City is pledged or encumbered as security for the payment of the Bonds.

Certain risk factors are associated with the purchase of the Bonds. See "RISK FACTORS" herein.

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

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

The Bonds are offered when, as and if issued by the City, subject to the approval of legality by Gilmore & Bell, P.C., St. Louis, Missouri, Bond Counsel. Gilmore & Bell, P.C. will also pass upon certain matters relating to this Official Statement. Piper Sandler & Co., St. Louis, Missouri, has acted as municipal advisor to the City in connection with the issuance of the Bonds. 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 11, 2025.

The date of this Official Statement is December __, 2025.

* Preliminary; subject to change.

CITY OF O'FALLON, MISSOURI

\$30,060,000*
SPECIAL OBLIGATION BONDS
SERIES 2025A

MATURITY SCHEDULE
Base CUSIP: 676202

<u>Maturity</u> <u>November 1</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>CUSIP</u> <u>Extension</u>
2026	\$ 970,000	%	%	
2027	1,130,000			
2028	1,175,000			
2029	1,220,000			
2030	1,270,000			
2031	1,320,000			
2032	1,375,000			
2033	1,430,000			
2034	1,485,000			
2035	1,550,000			
2036	1,425,000			
2037	1,485,000			
2038	1,545,000			
2039	1,605,000			
2040	1,670,000			
2041	1,735,000			
2042	1,805,000			
2043	1,880,000			
2044	1,955,000			
2045	2,030,000			

* Preliminary; subject to change.

CITY OF O'FALLON, MISSOURI

\$23,735,000*

**SPECIAL OBLIGATION BONDS
SERIES 2025B**

MATURITY SCHEDULE

Base CUSIP: 676202

<u>Maturity November 1</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Price</u>	<u>CUSIP Extension</u>
2026	\$ 715,000	%	%	
2027	830,000			
2028	865,000			
2029	900,000			
2030	935,000			
2031	975,000			
2032	1,010,000			
2033	1,055,000			
2034	1,095,000			
2035	1,140,000			
2036	1,185,000			
2037	1,230,000			
2038	1,280,000			
2039	1,330,000			
2040	1,385,000			
2041	1,440,000			
2042	1,500,000			
2043	1,560,000			
2044	1,620,000			
2045	1,685,000			

* Preliminary; subject to change.

CITY OF O'FALLON, MISSOURI

100 North Main Street
O'Fallon, Missouri 63366
(636) 240-2000

ELECTED OFFICIALS

William Hennessy, *Mayor*
John Roth, *Council Member, Ward 1*
Oliver Wexler, *Council Member, Ward 1*
Brian Boyer, *Council Member, Ward 2*
Lisa Thompson, *Council Member, Ward 2*
Steve Koskela, *Council Member, Ward 3*
Jeff Kuehn, *Council Member, Ward 4*
Amanda Taylor, *Council Member, Ward 4*
Debbie Cook, *Council Member, Ward 5*
Linda Ragsdale, *Council Member, Ward 5*

ADMINISTRATIVE OFFICIALS

Michael Snowden, *City Administrator*
Lenore Toser-Aldaz, *Assistant City Administrator*
Thomas Drabelle, *Deputy City Administrator*
Vicki Boschert, CPA, *Finance Director*
Bess Bacher, *City Clerk*
Steve Bender, *Public Works Director*

CITY'S COUNSEL

Curtis, Heinz, Garrett & O'Keefe, P.C.
St. Louis, Missouri

MUNICIPAL ADVISOR

Piper Sandler & Co.
St. Louis, Missouri

BOND COUNSEL

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

PAYING AGENT

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

REGARDING USE OF THIS OFFICIAL STATEMENT

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

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter do 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.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE CITY FOR PURPOSES OF RULE 15C2-12 ISSUED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR CERTAIN INFORMATION PERMITTED TO BE OMITTED PURSUANT TO RULE 15C2-12(B)(1).

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

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

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

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

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OFFICIAL STATEMENT

CITY OF O'FALLON, MISSOURI

\$30,060,000*
SPECIAL OBLIGATION BONDS
SERIES 2025A

\$23,735,000*
SPECIAL OBLIGATION BONDS
SERIES 2025B

INTRODUCTION

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

Purpose of the Official Statement

The purpose of this Official Statement is to furnish information relating to (1) the City of O'Fallon, Missouri (the "City"), (2) the Special Obligation Bonds, Series 2025A (the "Series 2025A Bonds"), to be issued in the principal amount of \$30,060,000* and (3) the Special Obligation Bonds, Series 2025B (the "Series 2025B Bonds" and, together with the Series 2025A Bonds, the "Bonds"), to be issued in the principal amount of \$23,735,000*.

The City

The City is a home rule city and political subdivision of the State of Missouri (the "State"), organized, existing and operating under the constitution and laws of the State and the City Charter. The City has a population of approximately 95,505. The City is located within St. Charles County, Missouri, approximately 30 miles west of the City of St. Louis, Missouri, on Interstate 70. For more information about the City, see **Appendix A** and **Appendix B**.

The Bonds

The Bonds are being issued pursuant to an ordinance expected to be adopted by the City Council on November 20, 2025 (the "Bond Ordinance"). The Series 2025A Bonds are being issued for the purpose of paying costs of (1) acquiring, constructing, furnishing and equipping a new public works facility, (2) installing new turf fields at the Ozzie Smith Sports Complex (together, the "Series 2025A Project") and (3) issuing the Series 2025A Bonds. The Series 2025B Bonds are being issued for the purpose of paying costs of (1) acquiring, constructing, furnishing and equipping a regional law enforcement training center (the "Series 2025B Project" and, together with the Series 2025A Project, the "Project") and (2) issuing the Series 2025B Bonds. See **"THE BONDS"** and **"PLAN OF FINANCING."**

Security and Source of Payment

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

* Preliminary; subject to change.

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

The Bonds do not constitute general obligations or indebtedness of the City within the meaning of any constitutional, statutory or charter limitation or provision, and the City does not pledge its full faith and credit and is not obligated to levy taxes or resort to any other moneys or property of the City to pay the principal of and interest on the Bonds. The fiscal year of the City begins on each January 1 and ends on December 31 (each a "Fiscal Year").

See "**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS**" herein.

Financial Statements

Audited financial statements of the City as of and for the Fiscal Year ended December 31, 2024, are included in the City's Annual Comprehensive Financial Report in **Appendix B** to this Official Statement.

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 will be provided to any prospective purchaser requesting the same by contacting Piper Sandler & Co. at (314) 726-7536.

Continuing Disclosure Information

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

PLAN OF FINANCING

Authorization

The Bonds are being issued pursuant to and in full compliance with the Constitution and statutes of the State, the City's Charter and the Bond Ordinance.

The Project

The Series 2025A Project consists of (1) acquiring, constructing, furnishing and equipping a new public works facility at an estimated cost of \$33,430,000 (including design costs) and (2) installing new turf fields at the Ozzie Smith Sports Complex at an estimated cost of \$4,100,000. The City has already spent approximately \$6,500,000 on the public works facility and has allocated \$2,600,000 of available City funds toward the Ozzie Smith Sports Complex turf. The remaining costs of the Series 2025A Project will be financed with the proceeds of the Series 2025A Bonds – approximately \$28,950,000 for the public works facility and \$1,500,000 for the Ozzie Smith Sports Complex. The City expects both the new public works facility and the turf installation to be complete by the end of 2026. The City completed the design phase for the public works

facility (including the fleet maintenance building) and broke ground on the project in April 2025. The new facility will provide training spaces, a fabrication bay, a service bay, a wash bay, a fueling island for all City vehicles and a new brine making system with a new salt storage building.

The Series 2025B Project consists of acquiring, constructing, furnishing and equipping a regional law enforcement training center at an estimated cost of \$24,000,000. The City expects the Series 2025B Project to be complete by the end of 2026. On September 12, 2024, the City entered into an Intergovernmental Partnership Agreement (the “Training Partnership Agreement”) with the City of St. Charles, Missouri, for the joint funding and operation of the police training facility. That agreement obligates each city to pay 50% of the debt service on any obligations (including the Series 2025B Bonds) to finance the project. The two cities broke ground on the project in June 2024, and the outdoor firing range portion of the project was opened for training classes in March 2025. Each city contributed approximately \$2,250,000 toward the firing range. Once complete, the new training facility will provide a variety of training spaces, a canine obstacle course, a new simunition house and an emergency vehicle operator course track.

Sources and Uses of Funds

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

SERIES 2025A BONDS

<u>Sources of Funds:</u>	<u>Total</u>
Par Amount of Bonds	\$
Plus: Net Original Issue Premium	
Total	<u>\$</u>
<u>Uses of Funds:</u>	
Deposit to Series 2025A Project Fund	\$
Costs of Issuance (including Underwriter’s Discount)	
Total	<u>\$</u>

SERIES 2025B BONDS

<u>Sources of Funds:</u>	<u>Total</u>
Par Amount of Bonds	\$
Plus: Net Original Issue Premium	
Total	<u>\$</u>
<u>Uses of Funds:</u>	
Deposit to Series 2025B Project Fund	\$
Costs of Issuance (including Underwriter’s Discount)	
Total	<u>\$</u>

THE BONDS

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

General Description

The Bonds will be issued in the principal amounts stated on the inside cover page of this Official Statement, will be dated the date of issuance thereof, and will consist of fully-registered bonds in the denomination of \$5,000 or any integral multiple thereof. The Bonds will mature, subject to redemption as described below, on November 1 in the years and in the principal amounts set forth on the inside cover page of this Official Statement. Interest on the Bonds will be payable semiannually on May 1 and November 1 in each year, beginning on May 1, 2026. Principal of or interest on any Bond will be payable (1) by check or draft of the Paying Agent mailed to each Registered Owner as of the commencement of business of the Paying Agent on the Record Date for such Bond Payment Date or (2) by electronic transfer to such Registered Owner upon written notice delivered to the Paying Agent not less than five days before the Record Date from and signed by such Registered Owner containing electronic transfer instructions including the name of the bank, ABA routing number and account number to which such Registered Owner wishes to have such transfer directed, together with an acknowledgement that an electronic transfer fee may be applicable.

Redemption Provisions

Optional Redemption – Series 2025A Bonds. At the option of the City, the Series 2025A Bonds or portions thereof maturing on November 1, 2034 and thereafter will be subject to redemption and payment prior to maturity, on November 1, 2033, and thereafter in whole or in part at any time at the redemption price of 100% of the principal amount thereof, plus accrued interest to the redemption date.

Optional Redemption – Series 2025B Bonds. At the option of the City, the Series 2025B Bonds or portions thereof maturing on November 1, 2034 and thereafter will be subject to redemption and payment prior to maturity, on November 1, 2033, and thereafter in whole or in part at any time at the redemption price of 100% of the principal amount thereof, plus accrued interest to the redemption date.

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

Notice and Effect of Call for Redemption. Notice of the redemption of Bonds will be mailed by the Paying Agent by first-class mail at least 30 days but not more than 60 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. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall become due and payable on the redemption date therein designated at the redemption price therein specified, and from and after the redemption date such Bonds or portion of Bonds shall cease to bear interest.

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

Registration, Transfer and Exchange of Bonds

Each Bond when issued shall be registered by the Paying Agent in the name of the owner thereof on the Bond Register. If the Book-Entry Only System (described under the following caption) is discontinued the following provisions will apply: Any Bond may be transferred upon the Bond Register by the person in whose name it is registered and 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. The Owner requesting such transfer or exchange will be required to pay any additional costs or fees that might be incurred in the secondary market with respect to such exchange. In the event any Registered Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Registered Owner sufficient to pay any governmental charge required to be paid as a result of such failure.

Book-Entry Only System

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

Debt Service on the Bonds

The following table sets forth the annual debt service requirements for the Bonds:

Fiscal Year Ending December 31	Series 2025A Principal*	Series 2025A Interest	Series 2025B Principal*	Series 2025B Interest	Total
2026	\$ 970,000	\$	\$ 715,000	\$	\$
2027	1,130,000		830,000		
2028	1,175,000		865,000		
2029	1,220,000		900,000		
2030	1,270,000		935,000		
2031	1,320,000		975,000		
2032	1,375,000		1,010,000		
2033	1,430,000		1,055,000		
2034	1,485,000		1,095,000		
2035	1,550,000		1,140,000		
2036	1,425,000		1,185,000		
2037	1,485,000		1,230,000		
2038	1,545,000		1,280,000		
2039	1,605,000		1,330,000		
2040	1,670,000		1,385,000		
2041	1,735,000		1,440,000		
2042	1,805,000		1,500,000		
2043	1,880,000		1,560,000		
2044	1,955,000		1,620,000		
2045	<u>2,030,000</u>	<u></u>	<u>1,685,000</u>	<u></u>	<u></u>
Total	<u>\$30,060,000</u>	<u>\$</u>	<u>\$23,735,000</u>	<u>\$</u>	<u>\$</u>

* Preliminary; subject to change.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

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

The payment of the principal of and interest on the Bonds is subject to an annual appropriation by the City. The City Council has directed the Finance Director or any other officer of the City at any time charged with the responsibility of formulating budget proposals to (1) include in each annual budget an appropriation of the amount necessary (after taking into account any moneys legally available for such purpose) to pay debt service on the Bonds in the next succeeding Fiscal Year and (2) take such further action (or cause the same to be taken) as may be necessary or desirable to assure the availability of moneys appropriated to pay such debt service on the Bonds in the next succeeding Fiscal Year. The City is not required or obligated to make any such annual appropriation, and the decision whether to appropriate such funds will be solely within the discretion of the then-current City Council. No property of the City is pledged or encumbered, and no reserve fund has been established, as security for payment of the Bonds.

Although payment of the principal of and interest on the Bonds may be made, subject to annual appropriation, from any funds of the City legally available for such purpose, the City intends to annually budget and appropriate surplus revenues from seven different governmental and proprietary funds for repayment of the Series 2025A Bonds. See **“FINANCIAL INFORMATION CONCERNING THE CITY – Revenue Sources”** in *Appendix A*.

The City expects to pay 50% of the debt service on the Series 2025B Bonds from money provided by the City of St. Charles pursuant to the Training Partnership Agreement. The City intends to pay the remaining 50% of the debt service on the Series 2025B Bonds from surplus revenues in the Police Training Facility Fund. See **“FINANCIAL INFORMATION CONCERNING THE CITY – Revenue Sources”** in *Appendix A*.

THERE CAN BE NO ASSURANCE THAT THE CITY WILL APPROPRIATE FUNDS FOR PAYMENT OF THE BONDS.

RISK FACTORS

This section describes certain risk factors that could affect the payment of and security for the Bonds. The following discussion of risks is not meant to be an exhaustive list of the risks associated with the purchase of Bonds and does not necessarily reflect the relative importance of the various risks. Potential investors are advised to consider the following factors along with all other information in this Official Statement in evaluating the Bonds. There can be no assurance that other risk factors will not become material in the future.

Limited Obligations

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

The Bonds are special obligations of the City payable solely from the funds appropriated annually by the City for that purpose. In each Fiscal Year, payments of principal of and interest on the Bonds shall be made solely from the amounts appropriated therefor (1) out of the income and revenues of the City provided for such year plus (2) any unencumbered balances for previous years, and the decision whether

to make such appropriation each year shall be within the sole discretion of the then-current City Council. Subject to the preceding sentence, the obligations of the City to make payments under the Bond Ordinance and to perform and observe any other covenant and agreement contained in the Bond Ordinance shall be absolute and unconditional.

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

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

The Bonds are not subject to acceleration upon the occurrence of a default under the Bond Ordinance.

No debt service reserve fund has been funded with respect to the Bonds.

Senior Property Tax Credit Program

The Missouri General Assembly enacted legislation in 2023 (subsequently amended in 2024) that authorizes counties to grant property tax credits to each "eligible taxpayer" equal to the difference between the real property tax liability on the eligible taxpayer's homestead in the current year minus the real property tax liability on the homestead either (1) in the year the county initially authorizes the credit or (2) when the person becomes an "eligible taxpayer" (the "**Senior Property Tax Credit Program**"). "Eligible taxpayer" means a Missouri resident who (1) is at least 62 years old, (2) owns real property used as the taxpayer's primary residence and (3) is liable for the payment of property taxes on that property. Implementation of the Senior Property Tax Credit Program requires either adoption of an ordinance by a county or an initiative petition and voter approval process. Property tax bills within counties that participate in the Senior Property Tax Credit Program will reflect the tax credit on property tax bills for eligible taxpayers, thereby reducing the amount of property taxes that the eligible taxpayer would otherwise pay. The St. Charles County Council passed an ordinance in September 2023 implementing the Senior Property Tax Credit Program in St. Charles County. The most recent application window for the Senior Property Tax Credit Program in St. Charles County closed on June 30, 2025. The potential financial impact of the Senior Property Tax Credit Program on the City is not yet ascertainable.

Missouri Property Tax Cap

In June 2025, the Missouri General Assembly passed Senate Bill 3, which authorizes counties to grant property tax credits in the form of a cap on increases to residential real property tax bills. For certain counties, the real property tax liability on an eligible taxpayer's home may be increased by no more than five percent per year or the percent increase in the Consumer Price Index, whichever is greater. For other counties, including St. Charles County, the real property tax liability on an eligible taxpayer's home may not be increased above the liability incurred during the initial credit year. The City of St. Louis and 17 counties are exempt from the bill. The initial credit year is 2024 or, if the eligible taxpayer's real property tax liability is lower in a subsequent year, the initial credit year is that subsequent calendar year. The St. Charles County Council passed an ordinance in September 2025 placing the question of whether to enact this real property tax cap on the ballot for the April 2026 general election. If a majority of the votes cast on the question are in favor of the cap, the credit shall be in effect and the county shall grant the property tax credit to eligible taxpayers. The County Collector will note the amount of any credit on the real property tax bills sent to eligible taxpayers. Multiple

lawsuits contesting the constitutional validity of Senate Bill 3 have been filed, but none have been decided. The potential financial impact of Senate Bill 3 on the City is not yet ascertainable.

No Credit Enhancement or Reserve Fund

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

Enforcement of Remedies

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

Amendment of the Bond Ordinance

Certain amendments to the Bond Ordinance may be made without the consent of or notice to the owners of the Bonds, other amendments may be made with the consent of the owners of not less than a majority in principal amount of the Bonds then outstanding, and other amendments may be made with the consent of the owners of all the Bonds then outstanding. Such amendments may adversely affect the owners of the Bonds.

Risk of Audit

The Internal Revenue Service (the "IRS") has established an ongoing program to audit obligations such as the Bonds to determine the legitimacy of the tax status of such obligations. No assurance can be given that the IRS will not commence an audit of the Bonds. Owners of the Bonds are advised that, if an audit of the Bonds was commenced, in accordance with its current published procedures, the IRS 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 are the interest rates on the Bonds subject to adjustment, in the event of a determination by the IRS 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 Owner of a Bond for federal income tax purposes. Such determination may, however, result in a breach of the City's tax covenants set forth in the Bond Ordinance, which may constitute a default under the Bond Ordinance. Likewise, the Bond Ordinance does not require the redemption of the Bonds or the adjustment of interest rates on the Bonds if the interest thereon loses its exemption from income taxes imposed by the State. ***It may be that Owners would continue to hold their Bonds, receiving principal and interest as and when due, but would be required to include such interest payments in gross income for federal income tax purposes.***

Other Factors Affecting the City

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

1. *Future Economic Conditions.* Adverse economic conditions or changes in demographics in the City, including increased unemployment and expenses in periods of inflation, could adversely impact the City's financial condition.
2. *Insurance Claims.* Increases in the cost of general liability insurance coverage and the amounts paid in settlement of liability claims not covered by insurance could adversely impact the City's financial condition.
3. *Natural Disasters.* The occurrence of natural disasters, such as floods, droughts, tornadoes or earthquakes, could damage the facilities of the City, interrupt services or otherwise impair operations and the ability of the City to produce revenues.

Credit Ratings and Secondary Market

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

Loss of Premium from Redemption

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

Defeasance Risks

When all of the Bonds of a series are deemed paid as provided in the Bond Ordinance, the requirements contained in the Bond Ordinance and all other rights granted to bond owners thereby shall terminate. Bonds or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of the Bond Ordinance if there has been deposited with the Paying Agent, or other commercial bank or trust company and having full trust powers, at or prior to the stated maturity or redemption date of said Bonds or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and Defeasance Obligations which, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal of said Bonds and interest accrued to the stated maturity or redemption date, or if default in such payment has occurred on such date, then to the date of the tender of such payments; provided, however, that if any such Bonds are to be redeemed prior to their stated maturity, (1) the City has elected to redeem such Bonds, and (2) either notice of such redemption shall have been given, or the City shall have given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable

instructions, to the Paying Agent to give such notice of redemption in compliance with the Bond Ordinance. Defeasance Obligations include, in addition to cash and obligations pre-refunded with cash, bonds, notes, certificates of indebtedness, treasury bills and other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America. There is no legal requirement in the Bond Ordinance that Defeasance Obligations consisting of such United States obligations be or remain rated in the highest rating category by any rating agency. Prices of municipal securities in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and that could include the rating of Bonds defeased with Defeasance Obligations to the extent the Defeasance Obligations have a change or downgrade in rating.

Cybersecurity Risks

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

Potential Impact of Public Health Emergencies

Regional, national or global public health emergencies, such as the outbreak of the novel coronavirus in December 2019, could have materially adverse regional, national or global economic and social impacts causing, among other things, the promulgation of local or state orders limiting certain activities, extreme fluctuations in financial markets and contraction in available liquidity, prohibitions of gatherings and public meetings in such places as entertainment venues, extensive job losses, declines in business activity across important sectors of the economy, impacts on supply chain and availability of resources, declines in business and consumer confidence that negatively impact economic conditions or cause an economic recession. The City cannot predict the extent to which its operations or financial condition may decline nor the amount of increased costs, if any, that may be incurred by the City associated with operating during any public health emergencies including, but not limited to, the amount of (1) increases in required services of the City, (2) costs to clean, sanitize and maintain its facilities, (3) costs to hire additional and/or substitute employees, (4) costs to acquire supporting goods and services, or (5) costs to operate remotely and support the employees of the City. Accordingly, the City cannot predict the effect any public health emergencies will have on the finances or operations of the City or whether any such effects will have a material adverse effect on the ability to support payment of debt service on the Bonds. Historical revenues and expenditures for the City's General Fund for the fiscal years ended December 31, 2020 through 2024 are set forth under the caption **"FINANCIAL INFORMATION CONCERNING THE CITY – General Fund Summary"** in *Appendix A*.

BASIC DOCUMENTATION

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

LEGAL MATTERS

Legal Proceedings

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

Approval of Legality

All legal matters incident to the authorization and issuance of the Bonds are subject to the approval of Gilmore & Bell, P.C., St. Louis, Missouri, Bond Counsel to the City.

TAX MATTERS

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

Opinion of Bond Counsel

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

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

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

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

Bond Counsel's opinions are provided as of the date of the original issue of the Bonds, subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The City has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the inclusion of interest on the Bonds in gross income for federal and State income tax purposes retroactive to the date of issuance of the Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Bonds but has reviewed the discussion under the heading "TAX MATTERS".

Other Tax Consequences

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

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

Sale, Exchange or Retirement of Bonds. Upon the sale, exchange or retirement (including redemption) of a Bond, an owner of the Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property 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 the interest on the Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax.

RATING

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

CONTINUING DISCLOSURE

The City has agreed to provide certain annual financial information and notices of certain events to the Municipal Securities Rulemaking Board via the Electronic Municipal Market Access system, in accordance with Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "Rule"). The City has agreed to provide updated financial information and operating data for the City within 180 days of the end of the City's Fiscal Year. The financial statements of the City are audited by the City's independent certified public accountants. The City has also agreed to provide prompt notice of the occurrence of certain material events with respect to the Bonds. See "**Form of the Continuing Disclosure Undertaking**" in **Appendix C**.

Compliance with Prior Undertakings Under the Rule

During the last five years, the City has been in material compliance with its prior continuing disclosure undertakings except for the Fiscal Years ended December 31, 2020 and 2021. For the Fiscal Years ended December 31, 2020 and 2021, the City timely filed its annual financial information and operating data; however, the City failed to link such information to some of the CUSIPs associated with the City's outstanding bonds. No failure to file notice was filed related to those missing CUSIP links.

MISCELLANEOUS

Financial Statements

Audited financial statements of the City as of and for the Fiscal Year ended December 31, 2024, are included in **Appendix B**. These financial statements have been audited by Sikich CPA LLC, St. Louis, Missouri, independent certified public accountants, to the extent and for the periods indicated in their report which is also included in **Appendix B**.

Municipal Advisor

Piper Sandler & Co., St. Louis, Missouri, has acted as Municipal advisor to the City in connection with the sale of the Bonds. The Municipal advisor is a “municipal advisor” as defined in the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The Municipal advisor has assisted the City in the preparation of this Official Statement and in other matters relating to the issuance of the Bonds. The Municipal advisor has not, however, independently verified the factual information contained in this Official Statement. The Municipal advisor will not be a manager or a member of any underwriting group submitting a proposal for the purchase of the Bonds.

Underwriting

Based upon bids received by the City on December 2, 2025, the Series 2025A Bonds were awarded to _____, _____, _____ (the “Series 2025A Underwriter”). The Series 2025A Bonds are being purchased for reoffering by the Series 2025A Underwriter. The Series 2025A Underwriter has agreed to purchase the Series 2025A Bonds from the City at a price equal to \$_____ (representing the par amount of the Series 2025A Bonds less an underwriter’s discount of \$_____ and plus a [*net*] original issue premium of \$_____). The Series 2025A Underwriter is purchasing the Series 2025A Bonds from the City for resale in the normal course of the Series 2025A Underwriter’s business activities. The Series 2025A Underwriter may sell certain of the Series 2025A Bonds at a price greater than such purchase price, as shown on the inside cover page hereof. The Series 2025A Underwriter reserves the right to offer any of the Series 2025A Bonds to one or more purchasers on such terms and conditions and at such price or prices as the Series 2025A Underwriter, in its discretion, shall determine. The Series 2025A Underwriter reserves the right to join with dealers and other purchasers in offering the Series 2025A Bonds to the public. The Series 2025A Underwriter may offer and sell Series 2025A Bonds to certain dealers (including dealers depositing Bonds into investment trusts) at prices lower than the public offering prices.

Based upon bids received by the City on December 2, 2025, the Series 2025B Bonds were awarded to _____, _____, _____ (the “Series 2025B Underwriter” and, together with the Series 2025A Underwriter, the “Underwriter”). The Series 2025B Bonds are being purchased for reoffering by the Series 2025B Underwriter. The Series 2025B Underwriter has agreed to purchase the Series 2025B Bonds from the City at a price equal to \$_____ (representing the par amount of the Series 2025B Bonds less an underwriter’s discount of \$_____ and plus [*net*] original issue premium of \$_____). The Series 2025B Underwriter is purchasing the Series 2025B Bonds from the City for resale in the normal course of the Series 2025B Underwriter’s business activities. The Series 2025B Underwriter may sell certain of the Series 2025B Bonds at a price greater than such purchase price, as shown on the inside cover page hereof. The Series 2025B Underwriter reserves the right to offer any of the Series 2025B Bonds to one or more purchasers on such terms and conditions and at such price or prices as the Series 2025B Underwriter, in its discretion, shall determine. The Series 2025B Underwriter reserves the right to join with dealers and other purchasers in offering the Series 2025B Bonds to the public. The Series 2025B Underwriter may offer and sell Series 2025B Bonds to certain dealers (including dealers depositing Bonds into investment trusts) at prices lower than the public offering prices.

Certification and Other Matters Regarding Official Statement

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

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

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

CITY OF O'FALLON, MISSOURI

By: _____
Mayor

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APPENDIX A

INFORMATION REGARDING CITY OF O'FALLON, MISSOURI

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GENERAL INFORMATION CONCERNING THE CITY

Government

The City of O’Fallon, Missouri (the “**City**”), was incorporated in 1912. The City operates under a home rule charter. The City is located within St. Charles County, Missouri (the “**County**”), approximately 30 miles west of the City of St. Louis, Missouri, on Interstate 70. The City is generally bisected in a north-south direction by Missouri State Highways M and K and an east-west direction by Interstate 70.

The City is governed by the Mayor-City Council-City Administrator form of government. The City Council consists of 10 members, two elected from each of the City’s five wards, to serve staggered three-year terms, plus a mayor who is elected at-large every four years. The City Council elects a President Pro Tempore from among its members, who serves a one-year term. The Mayor, with the approval of the City Council, appoints the City Administrator who serves as the chief administrative officer, responsible for directing the operations of the City in accordance with the policies set by the City Council. The City Administrator is responsible for appointing all other department heads and for directing the operations of the City in accordance with policies set by the City Council.

The current Mayor and City Council Members are as follows:

<u>Elected Officials</u>	<u>Service Began</u>	<u>Current Term Expires</u>
William Hennessy, Mayor	4/09	4/29
John Roth, Ward 1	1/25	4/26
Oliver Wexler, Ward 1	4/25	4/28
Lisa Thompson, Ward 2	6/20	4/26
Brian Boyer, Ward 2	4/25	4/28
Steve Koskela, Ward 3	4/22	4/28
Jeff Kuehn, Ward 4	4/17	4/26
Amanda Taylor, Ward 4	4/25	4/28
Linda Ragsdale, Ward 5	4/23	4/26
Debbie Cook, Ward 5	4/14	4/28

There is currently one position vacant in Ward 3; it will be filled at the April 2026 municipal election.

The City Administrator, Michael Snowden, has served as City Administrator since February 2019. Prior to being appointed by the City, Mr. Snowden worked for seven years as the Executive Director of the Public Safety Communications Department in Hamilton County, Indiana, and has more than 30 years of experience in the public safety field. Lenore Toser-Aldaz has served as Assistant City Administrator in the City for 10 years and has served in city management for more than 35 years. The Finance Director is Vicki M. Boschert, CPA, who has been in that position for more than 21 years.

Staff

The City employs approximately 564 full-time equivalent employees (including part-time employees and seasonal employees). The following table shows the number of full-time equivalent employees for each department/division for the 2025 budgeted year and the 2021-2024 years:

Full-Time Equivalent Employees By Department

<u>Department/Division</u>	<u>Fiscal Year 2021</u>	<u>Fiscal Year 2022</u>	<u>Fiscal Year 2023</u>	<u>Fiscal Year 2024</u>	<u>Fiscal Year 2025</u>
Administration Group					
Administration	10.00	10.00	10.00	10.60	10.60
Human Resources Department					
Human Resources	6.00	6.00	5.50	5.50	5.50
Volunteer Services	3.00	3.00	3.00	3.00	3.00
Communications Department					
Communications	5.25	5.25	10.25	10.25	10.25
Public Relations	4.00	4.00	-	-	-
Economic Development Department	5.00	5.00	5.00	5.00	5.00
Engineering Department					
Engineering	13.25	15.75	16.50	19.50	19.50
Project Management	9.10	9.10	10.00	10.00	9.85
Finance Department					
Finance	17.00	17.00	18.00	18.00	18.00
Fleet Maintenance	7.75	7.75	8.75	8.75	8.75
Information Technologies	6.00	7.00	8.00	8.00	8.00
Municipal Court	6.25	6.25	6.75	6.75	6.75
Parks & Recreation Department					
Facilities Maintenance	14.60	14.60	14.50	14.50	14.50
Landscape	12.50	12.50	11.85	11.85	11.85
Parks	30.00	30.00	30.00	31.00	31.00
Recreation	33.50	33.50	33.50	33.50	33.50
Renaud Spirit Center	32.50	32.50	32.50	32.50	32.50
Tourism & Festivals	3.85	3.85	3.85	3.85	3.85
Planning & Development Department					
Building & Code Enforcement	14.50	15.00	15.00	16.00	16.00
Planning & GIS	7.00	7.00	7.00	7.00	7.00
Police Department	159.00	163.50	166.00	170.00	170.00
Public Works Department					
Environmental Services	28.50	30.50	30.00	30.00	31.00
Sewerage System	20.00	21.00	21.25	23.25	23.00
Sewer Lateral/Water Ins Line	5.00	7.00	7.00	7.00	7.00
Storm Water	7.25	7.25	7.25	7.25	7.25
Streets	35.00	39.50	38.00	38.00	37.00
Water System	<u>30.00</u>	<u>33.00</u>	<u>33.25</u>	<u>33.25</u>	<u>33.00</u>
TOTAL	<u>525.80</u>	<u>546.80</u>	<u>552.70</u>	<u>564.30</u>	<u>563.65</u>

Source: City's Annual Comprehensive Financial Report for the Fiscal Year ended December 31, 2024 and City's Budget for Fiscal Year ending December 31, 2025.

In 1995, the police officers organized as a collective bargaining unit named the O'Fallon Police Officer's Association ("OPOA") under the Fraternal Order of Police, Lodge 15. The City's most recent memorandum of understanding with OPOA, executed in 2024, outlines salary increases, benefits and related matters through 2028. No other City employees are represented by a union or any collective bargaining unit.

DEBT INFORMATION

Debt Summary

Estimated Population (2024)	95,505
Assessed Valuation (2024)	\$2,969,236,435
Estimated Actual Value (2024)	\$13,458,799,950
Direct General Obligation Debt	\$40,815,000
Overlapping General Obligation Debt	\$174,476,951
Direct and Overlapping General Obligation Debt	\$215,291,951
Per Capita Direct General Obligation Debt	\$427.36
Per Capita Direct and Overlapping General Obligation Debt	\$2,254.25
Ratio of Direct General Obligation Debt to Assessed Valuation	1.37%
Ratio of Direct General Obligation Debt to Estimated Actual Value	0.30%
Ratio of Direct and Overlapping General Obligation Debt to Assessed Valuation	7.25%
Ratio of Direct and Overlapping General Obligation Debt to Estimated Actual Value	1.60%

Debt Management

The City's primary objective in debt management is to maintain the level of indebtedness within available resources and to manage the debt within the legal debt limitations established by Missouri statutes.

Computation of Legal Debt Margin

Under Article VI, Section 26 of the Missouri Constitution, the issuance of general obligation bonds requires the approval of four-sevenths (4/7) of the qualified voters voting thereon for elections held at the general municipal election day, primary or general elections, and two-thirds (2/3) of the qualified voters voting at all other elections. The Missouri Constitution provides that the amount of bonds payable from tax receipts shall not exceed 10% of the total assessed valuation of the taxable property of the City. The Missouri Constitution permits the City to become indebted for an additional 10% of the value of taxable, tangible property for the purpose of acquiring rights-of-way, constructing, extending and improving streets and avenues, and constructing, extending and improving sanitary or storm systems.

Assessed Value (2024)	\$2,969,236,435
Debt Limit - 20% of Assessed Value	\$593,847,287
Total Amount of Debt Applicable to Debt Limit	<u>40,815,000</u>
Legal Debt Margin	<u>\$553,032,287</u>
Debt Capacity Percent	93.13%

General Obligation Bonds Payable

The following table sets forth the City's general obligation debt:

<u>Name of Bonds</u>	<u>Original Amount</u>	<u>Final Maturity</u>	<u>Currently Outstanding</u>
Series 2016 General Obligation Bonds	\$41,645,000	03/1/2036	\$27,270,000
Series 2017 General Obligation Bonds	20,700,000	03/1/2037	<u>13,545,000</u>
Total			\$40,815,000

Overlapping Bonded Indebtedness

The following table sets forth general obligation indebtedness of political subdivisions with boundaries overlapping the City as of November 1, 2025, and the percent attributable to the City. The table excludes neighborhood improvement district general obligation bonds, which are payable first from special assessments imposed within the district and second from other available revenues of the bond issuer. Such bonds are secured by the full faith and credit but not the taxing power of the bond issuer. The bond issuer is not authorized to raise taxes to pay the bonds absent voter approval.

The table was compiled from information furnished by the jurisdiction responsible for the debt and from filings with the Municipal Securities Rulemaking Board. The City has not independently verified the accuracy or completeness of such information. The table does not include obligations other than general obligation bonds, such as revenue bonds and lease purchase obligations. Furthermore, political subdivisions may have ongoing programs requiring the issuance of substantial additional bonds, the amounts of which cannot be determined at this time.

<u>Name of Governmental Unit</u>	<u>General Obligation Debt Outstanding</u>	<u>Percentage Applicable to City</u>	<u>Amount Applicable to City</u>
St. Charles County, Missouri ⁽¹⁾	\$ 0	21.84%	\$ 0
St. Charles County Ambulance District	49,745,000	21.84	10,864,308
St. Charles Community College	28,735,000	21.95	6,307,332
Fort Zumwalt School District	124,220,000	51.25	63,662,750
Francis Howell School District	257,180,000	7.29	18,748,422
Wentzville School District	261,304,073	20.88	54,560,290
Central County Fire Protection District	26,150,000	2.54	664,210
Cottleville Fire Protection District	13,975,000	15.96	2,230,410
Lake St. Louis Fire Protection District	4,275,000	0.77	32,918
New Melle Fire Protection District	12,050,000	14.59	1,758,095
O'Fallon Fire Protection District	12,910,000	73.73	9,518,543
Wentzville Fire Protection District	<u>27,475,000</u>	22.31	<u>6,129,673</u>
Total Overlapping Debt	<u>\$818,019,073</u>		<u>\$174,476,951</u>

⁽¹⁾ St. Charles County has neighborhood improvement district general obligation bonds outstanding in the principal amount of \$675,000. These bonds are secured by the full faith and credit but not by the taxing power of the County.

Source: Taxing jurisdictions' records and Municipal Securities Rulemaking Board (EMMA).

Revenue Bonds Payable

The City does not have any revenue bonds outstanding.

Special Obligation Bonds

The City issued Special Obligation Bonds, Series 2013, dated June 5, 2013, in the original principal amount of \$20,805,000 (the "**Series 2013 Special Obligation Bonds**"). These bonds were issued to (1) refund all of the outstanding (a) Certificates of Participation (City of O'Fallon, Missouri, Lessee), Series 2006A, (b) Certificates of Participation (City of O'Fallon, Missouri, Lessee), Series 2006B and (c) Certificates of Participation (City of O'Fallon, Missouri, Lessee), Series 2008, (2) prepay an Equipment Lease-Purchase Agreement dated December 8, 2010, and (3) pay the costs of acquiring, constructing, installing and equipping a new storage tank and filters for the City's water system.

The City issued Special Obligation Refunding and Improvement Bonds, Series 2016, dated March 23, 2016, in the original principal amount of \$5,475,000 (the "**Series 2016 Special Obligation Bonds**"), for the

purpose of providing funds to (1) refund a portion of the Special Obligation Bonds, Series 2009, maturing on October 1 in the years 2016 through 2019, inclusive, in the aggregate principal amount of \$1,160,000 and (2) pay the costs of constructing storm water and other capital improvements within the City.

The City issued Special Obligation Refunding and Improvement Bonds, Series 2017, dated April 19, 2017, in the original principal amount of \$19,515,000 (the “**Series 2017 Special Obligation Bonds**”), for the purpose of providing funds to (1) refund a portion of the Insured Certificates of Participation (City of O’Fallon, Missouri, Lessee), Series 2009A, maturing on September 1, 2017 and thereafter, and (2) pay the costs of sewer, water, street and other capital improvements within the City.

The City issued Special Obligation Bonds, Series 2020A, dated November 5, 2020, in the original principal amount of \$28,770,000 (the “**Series 2020A Special Obligation Bonds**”), for the purpose of providing funds to finance improvements to the water and sewer systems.

The City issued Taxable Special Obligation Refunding Bonds, Series 2020B, dated November 5, 2020, in the original principal amount of \$11,925,000 (the “**Series 2020B Special Obligation Bonds**”), for the purpose of providing funds to refund a portion of the Special Obligation Bonds, Series 2012, maturing on November 1, 2022 and thereafter.

The City issued Special Obligation Bonds, Series 2024, dated December 19, 2024, in the original principal amount of \$13,365,000 (the “**Series 2024 Special Obligation Bonds**”), for the purpose of providing funds to finance improvements to the water system.

The following table sets forth the City’s Special Obligation Bonds that will be outstanding following the issuance of the Bonds:

<u>Special Obligation Bonds</u>	<u>Date of Delivery</u>	<u>Original Amount Delivered</u>	<u>Amount Outstanding</u>
Series 2013 Special Obligation Bonds	06/05/2013	\$ 20,805,000	\$ 1,725,000
Series 2016 Special Obligation Bonds	03/23/2016	5,475,000	3,230,000
Series 2017 Special Obligation Bonds	04/19/2017	19,515,000	15,005,000
Series 2020A Special Obligation Bonds	11/05/2020	28,770,000	22,820,000
Series 2020B Special Obligation Bonds	11/05/2020	11,925,000	6,840,000
Series 2024 Special Obligation Bonds	12/19/2024	13,365,000	12,990,000
Series 2025A Bonds*	12/___/2025	30,060,000	30,060,000
Series 2025B Bonds*	12/___/2025	<u>23,735,000</u>	<u>23,735,000</u>
Total		<u>\$153,650,000</u>	<u>\$116,405,000</u>

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* Preliminary; subject to change.

Debt Service Requirements for the Bonds

The following schedule shows the yearly debt service payments required for the Bonds:

<u>Year</u>	<u>Prior Special Obligation Bonds</u>	<u>The Bonds</u> *	<u>Total</u> *
2025	\$ 7,234,556		\$ 7,234,556
2026	6,940,356	\$	
2027	6,946,306		
2028	6,832,606		
2029	6,001,106		
2030	6,001,056		
2031	6,077,307		
2032	5,115,207		
2033	5,115,307		
2034	5,115,957		
2035	5,112,582		
2036	4,023,657		
2037	2,402,369		
2038	2,407,369		
2039	2,403,919		
2040	2,403,738		
2041	1,000,000		
2042	995,800		
2043	1,000,400		
2044	998,400		
2045	--		
Total	<u>\$84,127,998</u>	<u>\$</u>	<u>\$</u>

The Bonds are payable from all legally-available funds of the City that may be appropriated therefor in any fiscal year. However, the City intends to budget and appropriate surplus revenues from various governmental and proprietary funds for repayment of the Series 2025A Bonds, and expects to pay 50% of the 2025B Bonds with surplus revenues in the Police Training Facility Fund (with the remaining 50% coming from the City of ST. Charles). See **“FINANCIAL INFORMATION CONCERNING THE CITY – Revenue Sources”** herein.

Other Lease Obligations

The City has also entered into various capital leases for the acquisition of certain property and equipment. The estimated total outstanding balance for all capital leases as of December 31, 2024 was \$1,600,777.

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 10-year tax abatement pursuant to Sections 99.700 to 99.715, Revised Statutes of Missouri, as amended. In lieu of 10-year tax abatement, a redeveloper which is an urban redevelopment corporation formed pursuant to Chapter 353, Revised Statutes of Missouri, as amended, may seek real property tax abatement for a total period of 25 years.

* Preliminary; subject to change.

In addition, the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865, Revised Statutes of Missouri, as amended, makes available tax increment financing for redevelopment projects in certain areas determined by the governing body of a city to be a “blighted area,” “conservation area,” or “economic development area,” each as defined in such Act.

Neither tax abatement nor tax increment financing diminishes the amount of property tax revenues currently collected by the City in an affected area, but instead acts to freeze such revenues at current levels and deprives the City and other taxing districts of future increases (in whole or in part, depending on the terms of the transaction) in ad valorem property tax revenues that otherwise would have resulted from increases in assessed valuation in such areas until the tax increment financing obligations issued are repaid or the tax abatement period terminates.

The City has undertaken several economic development projects resulting in the issuance of bonds; each transaction provided tax incentives for the respective companies to locate to or expand their operations within the City, as follows:

(1) In June 2019, the City issued Industrial Development Revenue Bonds in the amount of \$26,000,000 to finance a project and to provide partial tax abatement to Pointe West Properties, LLC and Cosmos Corporation in connection with the acquisition, construction and equipping of a manufacturing facility in the City. The bonds are payable solely from lease payments made by Pointe West Properties, LLC and Cosmos Corporation and are not payable from City funds. The tax abatement will expire on December 31, 2032. The City estimates the value of the tax revenues foregone by the City for the fiscal year ended December 31, 2024 at \$12,190.

(2) In November 2019, the City issued Industrial Development Revenue Bonds in the amount of \$8,000,000 to finance a project and to provide partial tax abatement to Duke Property Management and Ortho Solutions, LC d/b/a Dynaflex in connection with the acquisition and construction of a facility in the City. The bonds are payable solely from lease payments made by Duke Property Management and Ortho Solutions, LC and are not payable from City funds. The tax abatement will expire on December 31, 2035. The City estimates the value of the tax revenues foregone by the City for the fiscal year ended December 31, 2024 at \$5,063.

(3) In September 2021, the City issued Industrial Revenue Bonds in the amount of \$9,000,000 to finance a project and to provide partial tax abatement to Bloom Medicinals of MO – Cultivation 1, LLC in connection with the acquisition, construction and equipping of a facility in the City. The bond documents were amended in 2023 and all rights, title and interest in the bonds were assigned to NLCP 320 Cool Springs Rd MO, LLC. The bonds are payable solely from lease payments made by NLCP 320 Cool Springs Rd MO, LLC and are not payable from City funds. The tax abatement begins this year and is expected to expire on December 31, 2033. The City estimates the value of the tax revenues foregone by the City for the fiscal year ended December 31, 2024 at \$2,010.

(4) In December 2021, the City issued Industrial Revenue Bonds in the amount of \$300,000,000 to finance a project and to provide partial tax abatement to MEMC LLC in connection with the acquisition, construction and equipping of a facility in the City. The bonds are payable solely from lease payments made by MEMC LLC and are not payable from City funds. The tax abatement will expire on December 31 of the ninth year following the transfer date (which is expected to occur in 2025).

(5) In January 2022, the City issued Industrial Revenue Bonds in the amount of \$16,000,000 to finance a project and to provide partial tax abatement to Lottes Springs LLC and Phoenix / Anjon Building Materials, Inc. in connection with the acquisition and construction of a facility in the City. The bonds are payable solely from lease payments made by Lottes Springs LLC and Phoenix / Anjon Building Materials, Inc. and are not payable from City funds. The tax abatement

will expire on December 31 of the ninth year following the transfer date (which is expected to occur in 2025).

(6) In March 2022, the City issued Industrial Revenue Bonds in the amount of \$6,000,000 to finance a project and to provide partial tax abatement to VSM Abrasives Corporation in connection with the acquisition and construction of a facility in the City. The bonds are payable solely from lease payments made by VSM Abrasives Corporation and are not payable from City funds. The tax abatement will expire on December 31, 2033. The City estimates the value of the tax revenues foregone by the City for the fiscal year ended December 31, 2024 at \$1,883.

(7) In October 2023, the City issued Industrial Revenue Bonds in the amount of \$5,000,000 to finance a project and to provide partial tax abatement to SERJ Properties and SourceOne Solutions, LLC in connection with the acquisition and construction of a facility in the City. The bonds are payable solely from lease payments made by SERJ Properties and SourceOne Solutions, LLC. and are not payable from City funds. The tax abatement will expire on December 31 of the 14th year after the commencement of tax abatement (which is expected to be 2025).

On October 27, 2016, the City entered into a Development Agreement with 40DD Sports LLC, in connection with the construction of outdoor soccer fields, sand volleyball courts and a clubhouse/restaurant. The agreement enables 40DD Sports LLC to be reimbursed for up to \$2,801,779 for costs of acquiring property for the sports complex and up to \$3,500,000 for costs of constructing the soccer fields and a public road. The reimbursement is payable solely from a portion of the incremental revenues generated by those facilities and on two nearby parcels resulting from the City's imposition of its general sales tax, parks and storm water sales tax, transportation sales tax, transient guest tax and property tax.

On February 24, 2020, the City entered into a Development Agreement with DD Land Development, LLC, in connection with the development of approximately 159 acres of property for residential purposes and the development of an additional approximately 100 acres of property for commercial purposes. The agreement enables DD Land Development, LLC to be reimbursed for up to \$5,000,000 for costs of constructing public roadway improvements. The reimbursement is payable solely from a portion of the revenues generated within the commercial property and an adjacent parcel from the City's general sales tax, parks and storm water sales tax, transportation sales tax and transient guest tax.

In the fiscal year ended December 31, 2024, the total amount reimbursed to 40DD Sports LLC and DD Land Development LLC was \$117,141.

History of Debt Payment

The City has never defaulted on any indebtedness of the City and has never failed to appropriate funds for the payment of annually appropriated obligations.

Future Debt Plans

In 2026, the City expects to issue approximately \$5,500,000 of special obligation bonds to finance additional improvements to the water system, including new water meters, updated distribution systems, and a water treatment peroxidation project.

Although the City does not expect to issue other debt within the next few years, the City continually evaluates the needs of its community, infrastructure and facilities, any of which could lead to additional debt issuances.

ECONOMIC AND DEMOGRAPHIC INFORMATION

Employment

The City has an economy centered on light industrial, service, wholesale distribution and manufacturing. The main types of industries in the City are services, retail trade and manufacturing.

Listed below are the major private employers located in the City:

<u>Major Employers</u>	<u>Product/Service</u>	<u>Employees</u>
1. MasterCard International	Global Technology HQ	3,450
2. True Manufacturing Co., Inc. ⁽¹⁾	Freezers & Commercial Coolers	N/A
3. Citigroup	Financial Services	2,001
4. CarShield	Vehicle Warranty Provider	653
5. SAK Construction	Pipeline Rehabilitation	502
6. Wal-Mart Supercenter	Discount Retail Department Store	441
7. Progress West HealthCare Center	Medical Services	424
8. MEMC LLC	Silicon Wafers Manufacturing	370
9. Aldi	Grocer	330
10. Delmar Gardens/Garden Villas of O'Fallon	Senior Living	227

⁽¹⁾ True Manufacturing Co., Inc. is the City's second largest employer. The company has asked the City not to disclose the number of the company's employees.

Source: City's Annual Comprehensive Financial Report for the Fiscal Year ended December 31, 2024.

Employment By Occupation

<u>Occupation</u>	<u>St. Charles County</u>		<u>City of O'Fallon</u>	
	<u>Employed</u>	<u>Percent</u>	<u>Employed</u>	<u>Percent</u>
Management, business, science and arts occupations	105,629	47.9%	25,182	48.7%
Service occupations	27,586	12.5	6,619	12.8
Sales and office occupations	48,105	21.8	11,423	22.1
Natural resources, construction, and maintenance occupations	15,822	7.2	3,359	6.5
Production, transportation and material moving occupations	23,474	10.6	5,140	9.9

Source: U.S. Census Bureau, 2019-2023 American Community Survey 5-year estimates.

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Employment By Industry

<u>Industry</u>	<u>City</u>	
	<u>Employed</u>	<u>Percent</u>
Agriculture, forestry, fishing and hunting and mining	354	0.7%
Construction	3,502	6.8
Manufacturing	6,124	11.8
Wholesale trade	1,460	2.8
Retail trade	6,137	11.9
Transportation and warehousing, and utilities	2,289	4.4
Information	893	1.7
Finance, insurance, real estate, and rental and leasing	5,654	10.9
Professional, scientific, management, administrative, and waste management services	5,801	11.2
Educational services, health care and social assistance	10,985	21.2
Arts, entertainment, recreation, accommodation and food services	4,123	8.0
Other services (except public administration)	2,636	5.1
Public administration	1,765	3.4

Source: U.S. Census Bureau, 2019-2023 American Community Survey 5-year estimates.

Economic Growth

The City is an attractive suburban community that has experienced strong residential and economic growth over the past two decades. The diverse economic base of the City includes residential, manufacturing, financial services, governmental services, retail sales, education and healthcare. The City's location and the quality of its transportation network make the City an attractive site for businesses and residents alike. The City has received numerous regional and national accolades, including being named amongst *Money Magazine's* "Best Places to Live" six times since 2006, one of America's Safest Cities by *CQ Press*, and most recently, ranked #1 in Missouri and #29 overall on *U.S. News and World Report's* "Best Places to Live" list. The City staffs an active and knowledgeable economic development department that aids in retaining and attracting new businesses.

Recently, the City has seen a variety of businesses grow within the City. In 2026, MEMC LLC is expected to complete a \$300,000,000 expansion of its silicon wafer production business, which will create approximately 100-140 new jobs. Aldi has commenced construction of an approximately 127,000 square foot addition to its regional warehouse in the City. This will result in new capital investment of approximately \$100,000,000 and is expected to create approximately 30 new jobs over the next two years. Cambria Hotel began construction of a 102-room upscale hotel with a golf simulator, fast food restaurant, Italian restaurant and bar. Another developer has proposed an approximately \$100,000,000 project that, if completed, will include an approximately 168,000 square foot indoor sports facility, approximately 25,000 square feet of restaurant/commercial space, and two hotels.

Housing

The majority of the City's housing has been constructed over the past 20 years. Housing remains affordable, with the median housing value at \$305,100 (per the U.S. Census Bureau, 2019-2023 American Community Survey 5-year estimates). Future housing issues facing the City include the maintenance of existing housing, residential development planning and infrastructure requirements. The City's goal is to promote decent, safe and affordable housing for existing and future residents.

The following table demonstrates the growth in residential and commercial construction for the past 10 fiscal years:

Fiscal Year	Residential		Commercial	
	<u>Number of Units⁽¹⁾</u>	<u>Construction Value</u>	<u>Number of Units</u>	<u>Construction Value</u>
2024	360	\$98,156,864	310	\$143,336,271
2023	314	69,810,164	256	153,756,840
2022	307	72,945,942	265	119,952,276
2021	357	79,935,191	262	48,159,788
2020	425	94,328,637	245	155,842,881
2019	403	82,575,526	265	75,336,705
2018	309	62,019,622	324	44,236,754
2017	245	44,351,803	253	56,143,945
2016	437	72,914,421	193	60,958,682
2015	434	60,895,449	244	45,029,397

⁽¹⁾ Residential Construction includes Single Family and Villa units.

Source: The City.

Population

The estimated population of the City as of July 1, 2024 was 95,505. Annual population estimates of the City, the County and the State of Missouri for the past 10 years are set forth in the following table:

	<u>City of O'Fallon</u>		<u>St. Charles County</u>		<u>State of Missouri</u>	
	<u>Population</u>	<u>Percent Change</u>	<u>Population</u>	<u>Percent Change</u>	<u>Population</u>	<u>Percent Change</u>
2024	95,505	+1.15%	423,726	+1.38%	6,245,466	+0.60%
2023	94,418	+0.71	417,958	+0.94	6,208,038	+0.46
2022	93,753	+0.01	414,055	+0.86	6,179,414	+0.13
2021	93,747	+2.27	410,515	+1.01	6,171,374	+0.27
2020	91,665	+3.37	406,423	+1.09	6,154,744	+0.28
2019	88,673	+0.35	402,022	+0.81	6,137,428	+0.26
2018	88,364	+0.96	398,780	+0.92	6,121,623	+0.24
2017	87,523	+1.24	395,130	+1.18	6,106,670	+0.32
2016	86,449	+1.63	390,541	+1.45	6,087,135	+0.25
2015	85,061	N/A	384,978	N/A	6,071,732	N/A

Source: U.S. Census Bureau, Population Division, Annual Estimates of the Resident Population for Incorporated Places in the United States.

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The following table shows population of the City according to the decennial census for the years 1990, 2000, 2010 and 2020:

<u>Year</u>	<u>Population</u>
1990	18,698
2000	46,169
2010	79,329
2020	91,316

Source: U.S. Census Bureau, Decennial Census.

The following table shows population distribution by age categories for the City and, for comparative purposes, the County:

<u>Age Distributions for St. Charles County</u>	<u>O'Fallon Number of Residents</u>	<u>O'Fallon Percent of Total</u>	<u>St. Charles County Number of Residents</u>	<u>St. Charles County Percent of Total</u>
Under 5 years	5,857	6.32%	22,538	5.50%
5 to 14 years	12,341	13.31	53,776	13.12
15 to 19 years	6,729	7.26	26,591	6.49
20 to 24 years	4,430	4.78	23,863	5.82
25 to 44 years	25,590	27.61	108,744	26.53
45 to 54 years	13,453	14.51	51,401	12.54
55 to 59 years	5,990	6.46	27,711	6.76
60 to 64 years	5,426	5.86	27,817	6.79
65 to 74 years	7,808	8.42	40,319	9.84
75 years and over	5,073	5.47	27,070	6.61
Median Age		38.2		39.6

Source: U.S. Census Bureau, 2019-2023 American Community Survey 5-year estimates.

Medical and Health Facilities

There are nine hospitals with more than 1,000 licensed beds located in the County. Progress West Hospital, a member of BJC HealthCare, is a general acute care hospital with 77 licensed beds located in the City. BJC Healthcare also operates a hospital in the nearby City of St. Peters. SSM Health St. Joseph Hospital, a member of the SSM Health Care System, has hospital facilities in the Cities of St. Charles, Lake St. Louis and Wentzville. Centerpointe Hospital, located in the City of Weldon Spring, is a private psychiatric hospital serving the behavioral needs of children, adolescents and adults.

In October 2024, SSM Health opened a new, 66,000 square foot outpatient center in the City. The facility offers primary care, pediatric services from Cardinal Glennon Pediatrics, laboratory services, imaging services and a retail pharmacy.

Recently, BJC HealthCare purchased a 46,000 square foot building in the City with plans to operate new medical offices and outpatient services in the facility.

Numerous skilled nursing, residential care, rehabilitation and dental facilities are also present in the City.

Higher Education

Higher education is easily accessible to City residents through St. Charles Community College (“SCCC”) and Lindenwood University (“**Lindenwood**”), both located in the County. Numerous other institutions of higher education are located in the St. Louis metropolitan area, including Saint Louis University, Washington University in St. Louis and the University of Missouri-St. Louis.

SCCC provides a combination of two-year vocational programs appropriate to the needs of local business and industry, one year and two-year general studies programs, pre-baccalaureate programs in preparation for upper-division degrees at four-year institutions and adult education programs, which allow residents of the County to improve their job skills.

Lindenwood is a private four-year liberal arts institution. Lindenwood offers baccalaureate degrees in several areas including natural science and physics, social science, humanities, business administration and education, as well as graduate degrees in business administration and education. Continuing adult education at Lindenwood includes not-for-credit courses, workshops and seminars.

Recreational Facilities

Residents of the City enjoy life in a pleasant community with excellent parks, historical sights and recreational facilities. The City maintains and operates eight park properties, including athletic fields, recreational courts, playgrounds, Lake Whetsel, trails and other park amenities. Special features of the City’s park system include Renaud Spirit Center which is a 66,000 square-foot recreation center with an indoor aquatic center, a fitness center and a gymnasium. The City’s parks and recreation department also manages CarShield Field, a modern baseball stadium with seating for approximately 3,500 people, located in the Ozzie Smith Sports Complex. (A portion of the proceeds of the Series 2025A Bonds will be used to install new turf at the stadium; see “**PLAN OF FINANCING**” in the forepart of this Official Statement.)

Within the County there are numerous public parks including the Katy Trail State Park, a hiking and biking trail along the route of the Missouri-Kansas-Texas Railroad, which ceased operations in 1986. Other attractions in the County include the Family Arena and the August A. Busch Wildlife Preserve (consisting of approximately 7,000 acres of land near Weldon Spring with facilities for hunting, fishing and hiking).

Located in adjacent St. Louis County and the nearby City of St. Louis are many recreational and cultural facilities available to residents of the County including the St. Louis Arch, St. Louis Zoo, Missouri Botanical Gardens, St. Louis Cardinals baseball, St. Louis Blues hockey and the St. Louis Symphony.

Municipal Services and Utilities; Public Safety

Police protection is provided by the City’s police department, which consists of approximately 170 employees, including approximately 120 commissioned officers. Fire protection services are provided by six independent fire protection districts operating within the City. St. Charles County Ambulance District provides 24-hour transfer service and emergency medical treatment from 21 stations located throughout the County.

The City owns and operates its own water system; however, the City only provides water to the residents in the northern portion of the City. The southern portion of the City is serviced by Public Water Supply District No. 2 of St. Charles County, Missouri.

Natural gas service is provided by Spire (formerly known as Laclede Gas Company) and electric service is provided by Ameren Missouri.

ASSESSED VALUATION AND PROPERTY TAX INFORMATION

Property Valuations

Assessment Procedure. All taxable real and personal property within the City is assessed by the St. Charles County Assessor (the “**County Assessor**”). Missouri law requires that real property be assessed at the following percentages of true value:

Residential real property	19%
Agricultural and horticultural real property	12%
Utility, industrial, commercial, railroad and all other real property	32%

On January 1 in each odd-numbered year each county assessor must adjust the assessed valuation during every odd-numbered year for 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 assessment ratio for personal property is generally 33 1/3% of true value. However, subclasses of tangible personal property are assessed at the following assessment percentages: grain and other agricultural crops in an unmanufactured condition, 1/2%; livestock, 12%; farm machinery, 12%; historic motor vehicles, 5%; and poultry, 12%.

The County Assessor is responsible for preparing the tax roll each year and for submitting the tax roll to the St. Charles County Board of Equalization. The 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 according to the assessment information received from the St. Charles County Assessor for January 1, 2024 as finally adjusted and equalized through December 31, 2024:

	<u>Assessed Valuation⁽¹⁾</u>	<u>Assessment Percentage</u>	<u>Estimated Market Value</u>
Real Property			
Residential	\$ 1,984,726,671	19%	\$10,445,929,847
Commercial	434,876,952	32%	1,358,990,475
Agriculture	207,259	12%	1,727,158
Personal Property	514,790,880	33.33%	1,544,527,093
Railroad & Utilities			
State Assessed			
Real Property	27,933,820	32%	87,293,188
Personal Property	3,963,643	33.33%	11,892,118
Local Assessed			
Real Property	1,825,335	32%	5,704,172
Personal Property	911,875	33.33%	2,735,899
Total	<u>\$2,969,236,435</u>		<u>\$13,458,799,950</u>

Source: St. Charles County.

History of Property Valuations. The total assessed valuation of all taxable tangible property situated in the City, including state and locally assessed railroad and utility property, according to assessments of January 1 in each of the following years, has been as follows:

<u>Year</u>	<u>Assessed Valuation⁽¹⁾</u>	<u>Percentage Change</u>
2024	\$2,969,236,435	1.74%
2023	2,918,559,078	17.70
2022	2,479,596,799	5.33
2021	2,354,155,386	9.99
2020	2,140,335,601	N/A

Source: City's Annual Comprehensive Financial Report for the Fiscal Year ended December 31, 2024.

Tax Collection Procedures

Property taxes are levied and collected for the City by the County, for which the County receives a collection fee of approximately one and one-half percent and the County Assessor receives a fee of 0.6 percent 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. If the assessed valuation of property in the City has increased over the prior year's valuation by action other than a general reassessment, exclusive of new construction and improvements, the rates of levy must be reduced to the extent necessary to produce substantially the same amount of tax revenue as estimated in the City's budget. The City's rate of levy may also be revised to allow for inflationary assessment growth, which is limited to actual assessment growth, exclusive of new construction and improvements, but not to exceed the consumer price index or 5%, whichever is lower. The City must set its ad valorem property tax rates and certify them to the County Clerk not later than September 1, for entry in the tax books.

The County Clerk receives the county tax books from the County Assessor, which set forth the assessments of real and personal property. The County Clerk enters the tax rates certified to him by the local taxing bodies in the tax books and assesses such rates against all taxable property in the City as shown in such books. The County Clerk forwards the tax books by October 31 to the County Collector, who is charged with levying and collecting taxes as shown therein. The County Collector extends the taxes on the tax rolls and issues the tax statements in early December. Taxes are due by December 31 and become delinquent if not paid to the County Collector by that time. All tracts of land and city lots on which delinquent taxes are due are charged with a penalty of eighteen percent of each year's delinquency. All lands and lots on which taxes are delinquent and unpaid are subject to sale at public auction in August of each year.

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Property Tax Rates

The City's 2025 property tax rates are \$0.2817 for the General Fund and \$0.1401 for the Debt Service Fund. 2025 tax rates for other taxing jurisdictions are not yet available.

The following table shows the City's tax levies and, for comparison purposes the tax rates of other taxing entities within the County (per \$100 of assessed valuation), for fiscal years 2020-2024:

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
City of O'Fallon					
General Fund	\$0.3354	\$0.3212	\$0.3212	\$0.2909	\$0.2909
Debt Service	<u>0.1808</u>	<u>0.1687</u>	<u>0.1588</u>	<u>0.1550</u>	<u>0.1491</u>
Total City of O'Fallon	<u>\$0.5162</u>	<u>\$0.4899</u>	<u>\$0.4800</u>	<u>\$0.4459</u>	<u>\$0.4400</u>
Other Taxing Jurisdictions					
State of Missouri	\$0.0300	\$0.0300	\$0.0300	\$0.0300	\$0.0300
St. Charles County	0.0000	0.0000	0.0000	0.0000	0.0000
St. Charles Co. Road & Bridge	0.2080	0.1988	0.1924	0.1743	0.1743
Fort Zumwalt School District ⁽¹⁾	4.8437	4.5894	4.5894	4.2346	4.2346
St. Charles Co. Library District	0.1996	0.1908	0.1908	0.1728	0.1728
O'Fallon Fire Protection District ⁽²⁾	0.8606	0.9300	0.9426	0.8499	0.8532
St. Charles Co. Developmentally Disabled	0.1279	0.1223	0.1223	0.1108	0.1108
St. Charles Co. Ambulance	0.2595	0.2573	0.2573	0.3273	0.3273
St. Charles Co. Alarm & Dispatch	0.0400	0.0382	0.0370	0.0335	0.0335
St. Charles Community College	<u>0.2019</u>	<u>0.1908</u>	<u>0.1902</u>	<u>0.1676</u>	<u>0.1676</u>
Total Other Taxing Jurisdictions ⁽³⁾	<u>\$6.7712</u>	<u>\$6.5476</u>	<u>\$6.5520</u>	<u>\$6.1008</u>	<u>\$6.1041</u>

(1) The City lies within three public school districts. The Fort Zumwalt School District is the only district reported since it encompasses the largest portion of the City.

(2) The City lies within six fire protection districts. The O'Fallon Fire Protection District is the only district reported since it encompasses the largest portion of the City.

(3) Figures represent common combination of tax levies; however, various combinations are possible due to boundaries of other overlapping taxing districts.

Source: The City.

The following table sets forth property tax collection information for the City for fiscal years 2020-2024:

<u>Fiscal Year Ended December 31</u>	<u>Total Taxes Levied⁽¹⁾</u>	<u>Taxes Collected in Year of Levy</u>	<u>Collections in Subsequent Years</u>	<u>Total Taxes Collected⁽²⁾</u>	<u>Percent of Total Taxes Levied Collected</u>
2024	\$12,791,959	\$7,633,669	\$4,563,096	\$12,196,765	95.35%
2023	12,742,228	7,296,034	4,969,177	12,265,211	96.26
2022	11,653,524	6,316,599	4,814,523	11,131,122	95.52
2021	11,292,186	7,139,872	3,574,370	10,714,242	94.88
2020	10,817,791	6,891,974	3,651,147	10,543,121	97.46

(1) Excludes additional assessments made for building activity during the year.

(2) The City contracts with the County Collector and County Assessor to assist in the collection of the City's taxes. The County charges the City a collection fee of 1.5% and the County Assessor charges the City a fee of 0.6% for their services; therefore, the tax levy reported above is net of both fees.

Source: City's Annual Comprehensive Financial Report for the Fiscal Year ended December 31, 2024.

Major Property Taxpayers.

The following table shows the major property taxpayers located in the City for the fiscal year ending December 31, 2025:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Total Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
MasterCard International	Global Technology HQ	\$ 86,731,662	2.78%
Three Ts Partnership LLC	Manufacturing	32,684,773	1.05
MEMC LLC	Manufacturing	17,800,872	0.57
CitiMortgage	Financial Services	15,684,957	0.50
Centene Data Center	Computer Tech	15,673,546	0.50
Avenue 64 O’Fallon LLC	Apartments	11,235,778	0.36
Prairie Point LL LLC	Apartments	9,823,312	0.31
Enclave at Winghaven	Apartments	9,442,828	0.30
Garden Villas of O’Fallon/Delmar Gardens	Senior Living	9,053,372	0.29
Spire	Utility	<u>7,786,062</u>	<u>0.25</u>
Total		<u>\$215,917,162</u>	<u>6.91%</u>

Source: St. Charles County Assessor’s Office.

FINANCIAL INFORMATION CONCERNING THE CITY

Certificates of Excellence

The City’s Annual Comprehensive Financial Report for the Fiscal Year ended December 31, 2024 is set forth in **Appendix B** hereto. The City’s annual comprehensive financial reports have consistently received the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (“GFOA”). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City administration believes that its current annual comprehensive financial report continues to meet the Certificate of Achievement Program’s requirements, and the City plans to submit it to GFOA to determine its eligibility for another certificate.

The City also consistently receives a Distinguished Budget Presentation Award from GFOA for its annual budget. To receive this award, a budget document must effectively communicate a governmental unit’s guidelines for policy, operations and financial planning. The award is valid for a period of one year only.

Basis of Accounting

The City uses the accrual basis of accounting for the government-wide financial statements and proprietary fund financial statements. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The City uses the modified accrual basis of accounting for all governmental funds. Under the modified accrual

basis of accounting, revenues are recognized when they become both measurable and available. Expenditures are recognized in the period in which the related fund liability is incurred, except for principal and interest on general long-term debt, which is recognized when due. All agency fiduciary funds, which only report assets and liabilities, use the accrual basis of accounting to recognize receivables and payables.

Independent Audits and Financial Reports

Sound business practice and Federal and State laws require annual, independent audits of the City's financial statements. The City engages an independent accounting firm to perform the City's audits and to issue an opinion on the City's General Purpose Financial Statements and several other reports required by the Single Audit Act of 1984. Copies of prior year's audits and financial reports are on file with the City's Finance Department.

The City finance staff prepares substantial analytical documentation for the annual audit and produces the annual comprehensive financial report in accordance with generally accepted accounting principles and statutory requirements.

Budgeting Process

Pursuant to the Missouri Revised Statutes, the annual budget must present a complete financial plan for the ensuing fiscal year, and must include at least the following information:

- (1) A budget message describing the important features of the budget and major changes from the preceding year;
- (2) Estimated revenues to be received from all sources for the budget year, with a comparative statement of actual or estimated revenues for the three years next preceding, itemized by year, fund, and source;
- (3) Proposed expenditures for each department, office, commission, and other classifications for the budget year, together with a comparative statement of actual or estimated expenditures for the three years next preceding, itemized by year, fund, activity and object;
- (4) The amount required for the payment of interest, amortization, and redemption charges on debt; and
- (5) A general budget summary.

The City's operating budget is based on the principle of financing current expenditures with current revenues or accumulated reserves. Operating expenditures will not be directly supported by debt. Expenditures shall include adequate funding of retirement benefits and adequate maintenance and replacement of capital and operating assets. The budgeted expenditures reflect the City's perceived needs and desires of the community based on available information and long-range planning.

The City Council adopts an annual budget on a basis other than generally accepted accounting principles; the main difference being that encumbrances are recorded as expenditures for budget purposes.

The City begins its budgeting process in August of each year for the following fiscal year beginning January 1. The City Council holds budget work sessions with the City Administrator, Director of Finance and staff to make final revisions to the proposed budget. No less than a 10-day notice is given by publication announcing a public hearing on the proposed budget in a newspaper with general circulation in the City. After the legal notice is published, the public hearing and introduction of the bill for the adoption of the annual budget are held, usually at the first Council meeting in the month of November (first reading). The notice also

informs the public that a copy of the proposed budget may be inspected at City Hall, Monday through Friday, between the hours of 8:30 a.m. to 4:30 p.m.

No more than 30 days after the budget hearing, the budget is adopted by the City, at the December Council meeting (second reading). The budget summary is available promptly after adoption.

The City reviews the budget appropriations and actual financial requirements at mid-year. The City Council may, by adoption of a budget resolution, make adjustments to revenue and expenditure authorization during the budget year.

Capital Improvement Plan

The Capital Improvement Plan involves expenditures from multiple funds, including the General Fund, Street & Road Improvement Fund, Recreation Fund, Storm Water Fund, Police & Road Improvement Use Tax Fund, Water Service Line Insurance Fund, Sewer Lateral Insurance Fund, Water Fund, Sewer Fund, Environmental Services Fund, Renaud Center Fund, Public Venue Fund and Police Training Facility Fund. These funds are used by the City to implement the Comprehensive Plan and the Parks Master Plan. Both the Comprehensive Plan and the Parks Master Plan outline the capital improvements over a fixed period of 10 years. These plans identify capital projects; the expected beginning and ending dates for each project; the funds to be expended each year; and the method of financing. The Parks Master Plan and the Comprehensive Plan were updated in 2024 and 2021, respectively. The implementation of the plans is based on available resources and established community priorities. The Capital Improvement Plan is updated annually.

Risk Management

The City is exposed to various risks of loss from tort; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and employee injuries and illnesses. The City is self-insured for medical, property and casualty, general liability and workers' compensation benefits. For more details see Note 7 of the financial statements attached hereto as *Appendix B*.

Pension and Employee Retirement 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 the Internal Revenue Code Section 401(a) and is tax-exempt. LAGERS is governed by a seven-member Board of Trustees consisting of three trustees elected by participating employees, three trustees elected by participating employers and one trustee appointed by the 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 30, 2024 (the "2024 LAGERS Annual Report") is available at <https://www.molagers.org/financial-reports/>. The link to the 2024 LAGERS Annual Report is provided for general background information only, and the information in the 2024 LAGERS Annual Report is not incorporated by reference herein. The 2024 LAGERS Annual 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.

All full-time general and police employees of the City are eligible to participate in LAGERS. As permitted by LAGERS, the City has elected the contributory plan, meaning its participating employees contribute to the pension plan. Full time employees of the City contribute 4% to the pension plan. The City is required by statute to contribute at an actuarially-determined rate for each category of participating employees, subject to certain limitations. The City's actuarially-determined contribution rate for the period ended June 30,

2024 was 9.6% of annual covered payroll for general employees, 12.9% of annual covered payroll for police employees and 13.8% of annual covered payroll for other public safety employees. For the fiscal year ended December 31, 2024 the City contributed \$3,554,067 to LAGERS on behalf of its employees, representing approximately 4.27% of the City's total expenditures.

The following provides a historical comparison of the City's actual contributions to LAGERS relative to the actuarially-determined contributions for the last five fiscal years of the City:

Schedule of City Contributions

<u>Year Ended December 31,</u>	<u>Actuarially- Determined Contribution</u>	<u>Actual Employer Contributions</u>	<u>Contribution Excess/(Deficiency)</u>
2024	\$3,554,067	\$3,554,067	-
2023	3,189,348	3,189,348	-
2022	2,953,649	2,953,648	\$1
2021	2,469,841	2,469,842	(1)
2020	2,399,592	2,399,592	-

Source: City's Annual Comprehensive Financial Report for the Fiscal Year ended December 31, 2024.

The City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, as amended by GASB Statement No. 71, *An Amendment of GASB Statement No. 68*, beginning with its audited financial statements for the fiscal year ended December 31, 2014. This Statement requires the City to record net pension liability and pension expense on its financial statements. The net pension liability is the difference between the City's total pension liability and the City's fiduciary net position under its plan. The pension expense recognized each fiscal year is equal to the change in the City's net pension liability from the beginning of the year to the end of the year, adjusted for deferred recognition of certain changes in the liability and investment experience.

As of June 30, 2024, the City had 879 participants (active members, retirees, beneficiaries and inactive, nonretired members) in LAGERS. The City has exclusive financial responsibility for the liabilities relating to active City employees; once an employee retires, however, a lump sum payment is transferred from the City's employer fund to the Benefit Reserve Fund equal to the present value of the employee's pension, and the liability for that employee becomes solely an obligation of the LAGERS system. The City's recognized total pension expense (consisting of both the City's expense for active members and a proportionate share of LAGERS' expense for retired members from the City) for the year ended December 31, 2024 was \$2,841,586 (\$1,372,433 for general employees, \$1,325,877 for police employees and \$143,276 for public safety employees). The net pension liability (asset) (consisting of both the City's liability (asset) for active members and a proportionate share of LAGERS' liability (asset) for retired members from the City) attributable to the City's participation in LAGERS as of June 30, 2024, was as follows:

<u>June 30,</u>	<u>Total Pension Liability (TPL)</u>	<u>Plan Fiduciary Net Position (FNP)</u>	<u>Net Pension Liability/ (Asset) (NPL)</u>	<u>FNP as % of TPL</u>	<u>Covered Payroll</u>	<u>NPL as % of Covered Payroll</u>
2024	\$127,599,045	\$(120,799,229)	\$6,799,816	94.67%	\$31,378,757	21.67%

Source: City's Annual Comprehensive Financial Report for the Fiscal Year ended December 31, 2024.

The City's combined net pension liability for general, police and public safety employees (\$6,799,816) is based on a 7.00% discount rate. LAGERS advised the City that the City's net pension liability using a 1% higher or lower discount rate at June 30, 2024 would be as follows:

	Net Pension Liability/(Asset) Sensitivity		
	1.0% Decrease (6.00%)	Current Discount Rate (7.00%)	1.0% Increase (8.00%)
City's Net Pension Liability/(Asset)	\$28,296,827	\$6,799,816	\$(10,730,544)

Source: City's Annual Comprehensive Financial Report for the Fiscal Year ended December 31, 2024.

For additional information regarding the City's participation in LAGERS relating to the fiscal year ended December 31, 2024 see **"Note 5 – Employees' Retirement System"** and **"Required Supplementary Information"** in *Appendix B*, and for additional information regarding LAGERS, see the 2024 LAGERS CAFR.

Other Post-Employment Benefits

Governmental Accounting Standards Board Statement No. 75, "Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pension Plans" (**"GASB 75"**) establishes accounting and financial reporting standards for post-employment benefits other than pensions. As part of a total compensation package, many governments offer post-employment benefit plans other than pensions such as healthcare and life insurance. GASB 75 establishes standards for the measurement, recognition and display of other post-employment benefit expenses and expenditures and related liabilities and assets, note disclosure, and, if applicable, required supplementary information in the financial reports of state and local government employers. GASB 75 became effective for the City for the fiscal year ended December 31, 2018.

The City's defined benefit postemployment healthcare plan provides medical and dental benefits to eligible retired City employees and their beneficiaries. As of December 31, 2024, there were 235 active members and 21 retirees and beneficiaries receiving benefits. The City's annual other postemployment benefit cost is calculated based on the annual required contribution of the employer, an amount actuarially determined in accordance with the parameters of GASB 45. The annual required contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities over a period not to exceed 30 years. For the fiscal year ended December 31, 2024, the City's actual contribution was \$344,829, and the City's net obligation was \$8,047,136. For additional information regarding other postemployment benefits, see **"Note 6 – Postemployment Benefits Other than Pensions"** in *Appendix B*.

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General Fund Summary

This following table shows general fund revenues, expenditures and fund balances for the last five fiscal years:

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Revenues					
Taxes	\$27,913,515	\$30,687,071	\$32,656,253	\$35,399,821	\$34,772,212
Intergovernmental	2,003,463	496,959	8,268,651 ⁽¹⁾	1,047,077	873,276
License and Permits	2,190,749	1,739,522	2,650,819	3,149,466	3,117,409
Charges for Services	770,910	571,381	522,427	549,403	606,016
Fines and Forfeitures	1,686,424	1,093,566	1,069,486	819,039	1,185,776
Interest	100,559	67,265	489,149	1,816,116	1,542,197
Miscellaneous	<u>421,146</u>	<u>595,301</u>	<u>809,514</u>	<u>1,453,866</u>	<u>1,182,036</u>
Total Revenues	<u>\$35,086,766</u>	<u>\$35,251,065</u>	<u>\$46,466,299</u>	<u>\$44,234,788</u>	<u>\$43,278,922</u>
Expenditures					
General Government	\$11,102,554	\$11,453,797	\$13,065,998	\$13,504,913	\$12,750,542
Public Safety	14,196,213	14,773,631	15,028,701	16,656,166	17,992,627
Community Development	2,706,138	2,758,187	2,928,941	3,220,414	3,733,341
Parks and Recreation	1,186,491	1,403,658	1,427,953	1,591,019	1,759,501
Municipal Court	390,571	442,443	456,174	539,194	608,931
Capital Outlay (put into the Depts)	2,887,530	3,881,929	2,578,069	3,204,081	2,679,658
Debt Service					0
Principal retirement	-	-	-	323,934	321,679
Interest	-	-	-	<u>21,431</u>	<u>23,687</u>
Total Expenditures	<u>\$32,469,497</u>	<u>\$34,713,645</u>	<u>\$35,485,836</u>	<u>\$39,061,152</u>	<u>\$39,869,966</u>
Excess (deficiency) of revenues over expenditures	\$ 2,617,269	\$ 537,420	\$10,980,463	\$ 5,173,636	\$ 3,408,956
Other Financing Sources/(Uses)					
Insurance recoveries	\$ 60,187	\$ 37,255	\$ 19,238	\$ 8,443	\$ 4,207,041 ⁽²⁾
Operating Transfers In	308,000	86	-	-	-
Operating Transfers Out	(556,912)	(283,600)	(6,512,462) ⁽¹⁾	(1,336,706) ⁽³⁾	(71,944)
Sale of capital asset	<u>71,795</u>	<u>151,757</u>	<u>43,816</u>	<u>38,583</u>	<u>30,640</u>
Total Other Financing	<u>\$ (116,930)</u>	<u>\$ (94,502)</u>	<u>\$ (6,449,408)</u>	<u>\$ (1,289,680)</u>	<u>\$ 4,165,737</u>
Over/(Under) Expenditures and Other Financing Sources (Uses)	\$ 2,500,339	\$ 442,918	\$ 4,531,055	\$ 3,883,956	\$ 7,574,693⁽⁴⁾
Fund Balance, Beginning of Year	\$24,507,307	\$27,007,646	\$27,450,564	\$31,981,619	\$35,865,575
Fund Balance, End of Year	<u>\$27,007,646</u>	<u>\$27,450,564</u>	<u>\$31,981,619</u>	<u>\$35,865,575</u>	<u>\$43,440,268</u>

⁽¹⁾ The City received \$7,774,553 in CARES (Coronavirus Aid, Relief, and Economic Security) Act funding in 2022. The City then redirected General Fund revenues for other purposes, including approximately \$76,000 for improvements to the Interstate 70 Outer Road Project, \$300,000 for the North Cool Springs Road Culvert Replacement Project, \$415,000 for the Storm Water Aging Pipeline Project, \$2,000,000 for the second phase of the Interstate 70 Outer Road Project, and \$3,500,000 to the Water Fund. Separately, the City transferred \$50,000 to the Street and Road Improvement Fund for commercial waste hauling.

⁽²⁾ Mostly associated with damages the City suffered to vehicles and property due to a hailstorm in March 2024.

⁽³⁾ Includes \$1,302,260 that the City received through settlement of a class action lawsuit by Missouri municipalities against telecommunications providers for failure to properly remit phone taxes. The moneys were transferred from the General Fund to the Police Training Facility Fund.

⁽⁴⁾ In addition to unspent insurance proceeds from hail damage, this surplus consists of approximately \$1,500,000 surplus sales tax revenue, \$600,000 surplus building permit and engineering fees, \$1,700,000 savings in personnel costs, \$200,000 savings on gas and oil, \$500,000 to be spent on software and equipment in 2025 and \$463,000 in hail-claim funds to be spent in 2025.

Source: City's Annual Comprehensive Financial Reports for Fiscal Years ended December 31, 2020-2024.

Revenue Sources

The City intends to annually budget and appropriate revenues from various sources for repayment of the Bonds. None of the revenues mentioned in this Section are legally pledged to the repayment of either series of the Bonds. The inclusion of the following information in this Section is not intended to imply to the contrary.

Series 2025A Bonds

The City expects to allocate the following amounts from each of the sources mentioned below to the repayment of the Series 2025A Bonds:

<u>Source</u>	<u>Project Allocation⁽¹⁾</u>	<u>Percent of Total</u>
Street and Road Improvement Fund	\$13,489,996	44.30%
Sewer Fund	5,720,984	18.79
Water Fund	5,530,983	18.16
Recreation Fund ⁽¹⁾	2,458,567	8.07
Storm Water Fund	1,880,422	6.17
Sewer Lateral Insurance Fund	1,103,692	3.62
Water Line Insurance Fund	<u>268,952</u>	<u>0.88</u>
Total Revenues	<u>\$30,453,596</u>	<u>100.00%</u>

⁽¹⁾ The estimated cost of the Series 2025A Project is \$33,430,000; the City expects to allocate \$30,453,596 from proceeds of the Series 2025A Bonds and the remainder from other available funds. See “**PLAN OF FINANCING**” in the forepart of the Official Statement. The City will use the same funds for repayment of interest on the Series 2025A Bonds.

⁽²⁾ The City intends to allocate approximately \$958,567 from the Recreation Fund to the public works facility and approximately \$1,500,000 to installing new turf fields at the Ozzie Smith Sports Complex.

Street and Road Improvement Fund. The Street and Road Improvement Fund is a special revenue fund used to account for transportation sales tax revenues and other financing sources, including the State Motor Fuel Tax and the County Road and Bridge Rebate, which are restricted or intended for the construction, reconstruction, repair and maintenance of streets, roads and bridges. The State Motor Fuel Tax is \$0.295 per gallon (there is no expiration on this tax). The tax is remitted to the Missouri Department of Revenue and allocated to the municipalities based on population. The County Road and Bridge Rebate is collected by the County at a rate of \$0.1743 per \$100 of assessed valuation on all taxable property. The County reviews the allocation annually and sets the allocation method according to the directive of the County Council. The City expects continuing participation by the County and the State of Missouri on certain transportation projects within the City. The City uses fund revenues that are not required for debt service to pay for various transportation improvements on a pay-as-you-go basis.

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The 0.5% transportation sales tax currently levied by the City is the maximum permitted under Missouri law. The transportation sales tax does not have a scheduled expiration date. The following are the City's actual transportation sales tax receipts for the five most recent fiscal years:

<u>Fiscal Year</u>	<u>Transportation Sales Tax Receipts</u>
2024	\$8,363,516
2023	7,874,289
2022	7,918,811
2021	7,318,829
2020	6,640,321

Source: City's Annual Comprehensive Financial Report for the Fiscal Year ended December 31, 2024.

Sewer Fund. The Sewer Fund is used to account for the activity of the City's sewer operations. The Sewerage System includes a vast collection system and full scale, state-of-the art regional wastewater treatment plant with the capacity of 11.25 million gallons per day, complete with three equalization basins, a Class "A" biosolids dewatering and handling facility, large capacity interceptor sewers ranging up to 48 inches in diameter and large capacity wastewater pumping stations located at strategic points in the system. The City's Sewerage and Waterworks Systems are managed and operated by the City's Water and Sewer Department.

The Sewerage System serves approximately 17,659 customers. The City provides wholesale treatment services for areas north and west of the City, including portions of the cities of Lake St. Louis and Wentzville. Residents of the southern half of the City receive sewer service from Duckett Creek Sanitary District. The following table presents the number of customers served and usage for the City's Sewerage System from 2020 to 2024:

<u>Year</u>	<u>Customers</u>	<u>Usage⁽¹⁾</u>
2024	17,659	2,004.2
2023	17,589	1,898.2
2022	17,484	2,700.4
2021	17,281	2,822.3
2020	17,053	2,877.2

⁽¹⁾ Millions of gallons.

The following table sets forth certain financial information for the Fiscal Years 2020 through 2024.

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Summary of Sewerage System Operations

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Operating Revenues					
Connection charges	\$ 733,000	\$ 236,000	\$ 148,824	\$ 300,667	\$ 178,818
Sewer service charges ⁽¹⁾	11,235,328	11,134,327	12,218,528	12,062,592	12,624,164
Lease payments	98,559	101,176	155,736	107,540	110,767
Miscellaneous	<u>10,735</u>	<u>10,976</u>	<u>10,110</u>	<u>52,123</u>	<u>12,437</u>
Total Operating Revenues	<u>\$12,077,622</u>	<u>\$11,482,479</u>	<u>\$12,533,198</u>	<u>\$12,522,922</u>	<u>\$12,926,186</u>
Operating Expenses					
Contractual services	\$ 522,815	\$ 241,982	\$ 382,454	\$ 415,275	\$ 490,653
General government	2,688,762	2,521,425	3,718,769	3,338,999	3,255,238
Utilities	1,006,802	889,750	871,796	963,273	1,080,816
Repairs and maintenance	324,051	350,146	401,640	694,255	675,181
Small equipment	14,587	8,783	10,294	22,208	18,639
Depreciation and amortization	3,220,466	3,676,982	3,664,178	3,636,752	3,902,072
Miscellaneous	<u>975</u>	<u>1,004</u>	<u>1,482</u>	<u>986</u>	<u>615</u>
Total Operating Expenses	<u>\$ 7,778,458</u>	<u>\$ 7,690,072</u>	<u>\$ 9,050,613</u>	<u>\$ 9,071,748</u>	<u>\$ 9,423,214</u>
Operating Income (Loss)	\$ 4,299,164	\$ 3,792,407	\$ 3,482,585	\$ 3,451,174	\$ 3,502,972
Nonoperating Revenues (Expenses)					
Interest income	\$ 77,458	\$ 71,124	\$ 273,254	\$ 704,531	\$ 687,302
Interest expense	(693,494)	(800,860)	(765,557)	(723,739)	(683,671)
Interest on subscriptions	-	-	-	(5,644)	(3,584)
Insurance Recoveries	-	-	-	-	754,958 ⁽¹⁾
Gain/(loss) on capital asset disposal	<u>126,013</u>	<u>68,540</u>	<u>(27,280)</u>	<u>(61,824)</u>	<u>1,383</u>
Total Nonoperating Revenues (Expenses)	<u>\$ (490,023)</u>	<u>\$ (661,196)</u>	<u>\$ (519,583)</u>	<u>\$ (86,676)</u>	<u>\$ 756,388</u>
Income (Loss) Before Transfers and Contributions	\$ 3,809,141	\$ 3,131,211	\$ 2,963,002	\$ 3,364,498	\$ 4,259,360
Transfers in	-	-	24,528	-	-
Transfers out	(77,000)	-	-	-	-
Capital contributions	<u>531,832</u>	<u>325,386</u>	<u>511,747</u>	<u>195,565</u>	<u>423,837</u>
Change in Net Position	<u>\$ 4,263,973</u>	<u>\$ 3,456,597</u>	<u>\$ 3,499,277</u>	<u>\$ 3,560,063</u>	<u>\$ 4,683,197</u>
Net Position – Beginning of Year	\$43,256,436	\$47,520,409	\$50,564,638	\$54,063,915	\$57,025,368
Prior Period Adjustment	-	(412,368) ⁽²⁾	-	(598,610) ⁽³⁾	(31,951) ⁽⁴⁾
Net Position – End of Year	<u>\$47,520,409</u>	<u>\$50,564,638</u>	<u>\$54,063,915</u>	<u>\$57,025,368</u>	<u>\$61,676,614</u>

(1) Associated with damages the City suffered to vehicles and property due to a hailstorm in March 2024.

(2) Fiscal Year 2021 adjustment is due to reallocation of senior discount on utility bills.

(3) Fiscal Year 2023 adjustment is due to overstated accrued service charges recorded in Fiscal Year 2022.

(4) Fiscal Year 2024 adjustment is due to the adoption of GASB 101 Compensated Absences, recognizing unused accrued vacation time as a liability. See “**Note 14 – Change in Accounting Principal**” in *Appendix B*.

Source: City’s Annual Comprehensive Financial Report for the Fiscal Years ended December 31, 2020-2024.

Water Fund. The Water Fund is used to account for the activity of the City’s water operations. The Waterworks System consists of a 6.0 million gallon per day, state-of-the-art Reverse Osmosis “RO”/Membrane Water Treatment Plant with five alluvial wells. This water supply and treatment facility is complimented with four additional deep wells, three booster pump stations, high service pumps, four elevated storage tanks, three ground storage tanks and over 185 miles of cast iron, ductile iron and PVC distribution lines. The Waterworks System is managed and operated by the City’s Water and Sewer Department.

The Waterworks System serves over 13,300 customers. Residents of the southern half of the City receive water service from the Public Water Supply District No. 2 of St Charles County, Missouri or Missouri American Water. The following table presents the number of customers served and usage for the City's Waterworks System from 2020 to 2024:

<u>Year</u>	<u>Customers</u>	<u>Usage⁽¹⁾</u>
2024	13,358	1,163.3
2023	13,315	1,254.6
2022	13,278	1,104.8
2021	13,238	1,334.0
2020	13,125	1,259.2

⁽¹⁾ Millions of gallons.

The following table sets forth certain financial information for the Fiscal Years 2020 through 2024.

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Summary of Waterworks System Operations

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Operating Revenues					
Water sales	\$ 6,320,756	\$ 6,653,548	\$ 7,640,925	\$ 7,839,744	\$ 8,294,090
Connection charges	619,675	157,500	84,784	188,455	80,000
Lease payments	135,805	127,751	193,211	143,951	148,967
Miscellaneous	<u>40,455</u>	<u>16,203</u>	<u>11,614</u>	<u>210,833</u>	<u>13,126</u>
Total Operating Revenues	<u>\$ 7,116,691</u>	<u>\$ 6,955,002</u>	<u>\$ 7,930,534</u>	<u>\$ 8,382,983</u>	<u>\$ 8,536,183</u>
Operating Expenses					
Contractual services	\$ 235,181	\$ 276,806	\$ 508,837	\$ 540,898	\$ 557,684
General government	2,238,285	2,321,512	3,218,397	3,073,451	3,114,313
Utilities	618,682	676,174	728,022	871,014	981,180
Repairs and maintenance	1,151,721	786,330	1,277,610	891,251	990,103
Small equipment	7,434	6,943	13,555	7,290	10,661
Depreciation and amortization	2,093,463	2,259,069	1,722,603	2,033,429	2,072,974
Miscellaneous	<u>980</u>	<u>733</u>	<u>485</u>	<u>485</u>	<u>372</u>
Total Operating Expenses	<u>\$ 6,345,746</u>	<u>\$ 6,327,567</u>	<u>\$ 7,469,509</u>	<u>\$ 7,417,818</u>	<u>\$ 7,727,287</u>
Operating Income (Loss)	\$ 770,945	\$ 627,435	\$ 461,025	\$ 965,165	\$ 808,896
Nonoperating Revenues (Expenses)					
Investment earnings	\$ 52,557	\$ 18,142	\$ 86,021	\$ 281,034	\$ 175,652
Interest expense	(547,873)	(357,097)	(348,210)	(320,130)	(361,704)
Interest on leases	-	-	661	491	320
Interest on subscription	-	-	-	(5,468)	(3,709)
Insurance recoveries	-	-	-	-	378,303 ⁽¹⁾
Bond issuance costs	-	-	-	-	(187,556)
Gain/(loss) on capital asset disposal	<u>17,571</u>	<u>(23,816)</u>	<u>(27,029)</u>	<u>61,690</u>	<u>49,243</u>
Total Nonoperating Revenues (Expenses)	<u>\$ (477,745)</u>	<u>\$ (362,771)</u>	<u>\$ (288,557)</u>	<u>\$ 17,617</u>	<u>\$ 50,549</u>
Income (Loss) before Transfers and Contributions	\$ 293,200	\$ 264,664	\$ 172,468	\$ 982,782	\$ 859,445
Transfers in	-	-	3,527,534	-	-
Transfers out	(77,000)	-	-	-	-
Capital contributions	<u>641,860</u>	<u>32,145</u>	<u>-</u>	<u>129,161</u>	<u>1,651</u>
Change in Net Assets	<u>\$ 858,060</u>	<u>\$ 296,809</u>	<u>\$ 3,700,002</u>	<u>\$ 1,111,943</u>	<u>\$ 861,096</u>
Net Assets- Beginning of Year	\$15,793,908	\$16,651,968	\$17,150,636	\$20,850,638	\$21,589,407
Prior Period Adjustments	<u>-</u>	<u>201,859⁽²⁾</u>	<u>-</u>	<u>(373,174)⁽³⁾</u>	<u>(60,784)⁽⁴⁾</u>
Net Assets – End of Year	<u>\$16,651,968</u>	<u>\$17,150,636</u>	<u>\$20,850,638</u>	<u>\$21,589,407</u>	<u>\$22,389,719</u>

⁽¹⁾ Associated with damages the City suffered to vehicles and property due to a hailstorm in March 2024.

⁽²⁾ Fiscal Year 2021 adjustment is due to reallocation of senior discount on utility bills.

⁽³⁾ Fiscal Year 2023 adjustment is due to overstated accrued service charges recorded in Fiscal Year 2022.

⁽⁴⁾ Fiscal Year 2024 adjustment is due to the adoption of GASB 101 Compensated Absences, recognizing unused accrued vacation time as a liability. See “**Note 14 – Change in Accounting Principal**” in *Appendix B*.

Source: City’s Annual Comprehensive Financial Report for the Fiscal Years ended December 31, 2020-2024.

Recreation Fund. The Recreation Fund is used to account for the parks portion of the parks and storm water sales tax and charges for services offered by the City. This fund was created in October 2008 when the parks and storm water sales tax began. The 0.5% parks and storm water sales tax currently levied by

the City is the maximum permitted under Missouri law. The parks and storm water sales tax does not have a scheduled expiration date. The following are the City’s actual parks and storm water sales tax receipts for the five most recent fiscal years:

<u>Fiscal Year</u>	<u>Parks and Storm Water Sales Tax Receipts</u>
2024	\$8,363,449
2023	7,874,184
2022	7,918,810
2021	7,318,715
2020	6,640,047

Source: City’s Annual Comprehensive Financial Report for the Fiscal Year ended December 31, 2024.

All of the money in the Recreation Fund is restricted for the City’s parks, recreation and tourism programs. For more information, see the section captioned “**Financial Analysis of the City’s Governmental Funds**” within the financial statements attached hereto as *Appendix B*.

Storm Water Fund. The Storm Water Fund is used to account for the storm water portion of the parks and storm water sales tax restricted for the use of storm water projects managed by the City. Like the Recreation Fund, this fund was created in October 2008 when the parks and storm water sales tax was implemented. All of the revenue in the Storm Water Fund is restricted for the City’s storm water program. For more information, see the section captioned “**Financial Analysis of the City’s Governmental Funds**” within the financial statements attached hereto as *Appendix B*.

Water Line Insurance Fund; Sewer Lateral Insurance Fund. The Water Line Insurance Fund and the Sewer Lateral Insurance Fund are nonmajor special revenue funds of the City. Balance sheets and statements showing revenues and expenditures for those funds are included as “**Supplementary Information**” within the financial statements attached hereto as *Appendix B*.

Series 2025B Bonds

The City expects to allocate money in the Police Training Facility Fund to pay for Series 2025B Bonds. The Police Training Facility Fund has been used to account for activities related to the City’s shooting range construction and operations. On September 12, 2024, the City entered into an Intergovernmental Partnership Agreement (the “Training Partnership Agreement”) with the City of St. Charles, Missouri, for the joint funding and operation of the police training facility. That agreement obligates each city to pay 50% of the debt service on any obligations (including the Series 2025B Bonds) to finance the project.

Other Available Money

Notwithstanding the foregoing, the City may pay the principal of and interest on the Bonds from any funds of the City legally available for such purpose. The following is a summary of the significant sources of the City’s general fund for the fiscal year ending December 31, 2024:

<u>Source</u>	<u>Revenue</u>	<u>Percent of Total</u>
Taxes	\$34,772,212	80.35%
Intergovernmental	873,276	2.02
License and Permits	3,117,409	7.20
Charges for Services	606,016	1.40
Fines and Forfeitures	1,185,776	2.74
Interest	1,542,197	3.56
Miscellaneous	<u>1,182,036</u>	<u>2.73</u>
Total Revenues	<u>\$43,278,922</u>	<u>100.00%</u>

Source: City's Annual Comprehensive Financial Report for the Fiscal Year ended December 31, 2024.

General Sales Taxes. Sales taxes are collected on the sale of merchandise in the City. The sales tax is reported, collected and remitted by the Missouri Department of Revenue. The City levies 1% for general purposes, 0.5% for transportation purposes and 0.5% for parks and storm water purposes. The total general sales tax rate in the City is 7.950%, which is comprised of the following:

<u>Taxing Entity</u>	<u>Tax Rate</u>
State of Missouri	
General	3.000%
Education	1.000
Conservation	0.125
Parks and Soils	0.100
St. Charles County	
General	0.750
Transportation	0.500
Capital Improvements	0.250
Regional Parks	0.100
Community Services for Children	0.125
City of O'Fallon	
General	1.000
Transportation	0.500
Parks/Stormwater	<u>0.500</u>
Total	<u>7.950%</u>

The following are the City's actual general sales tax receipts for the five most recent fiscal years:

<u>Fiscal Year</u>	<u>General Sales Tax Receipts</u>
2024	\$18,364,850 ⁽¹⁾
2023	16,794,560
2022	16,778,656
2021	15,312,637
2020	14,053,727

⁽¹⁾ Includes receipts of 3.000% sales tax on recreational marijuana that became effective on October 1, 2023.

Source: City's Annual Comprehensive Financial Report for the Fiscal Year ended December 31, 2024.

In addition to the general sales tax collected by the City, there is an additional 3% sales tax on recreational marijuana. Also, various transportation development districts and community improvement

districts (which are special purpose taxing districts usually created by a limited number of property owners) in the City impose a sales tax within their respective boundaries.

Regional Parks Sales Tax. The regional parks sales tax is a 0.1% tax collected through the County which is allocated to municipalities based on the jurisdiction's census population.

Utilities License Tax. The utilities license tax (formerly known as the gross receipts tax) is applied to any person, partnership, venture, or corporation engaged in the business of supplying electricity, gas, water, telephone, or other utilities to residents of the City. This includes a tax of 5% of the gross receipts from such businesses on the first \$10,000 purchased monthly by a user and a tax of 0.5% on all purchases in excess of \$10,000 per month. Remittance of tax from AmerenUE is at 4.84% of the gross receipts on the first \$10,000 and 0.49% on all purchases in excess of the \$10,000 per month.

In September 2006, the City Council approved a utilities license fee rebate program for exempt customers on electricity, gas and telephone. An exempt customer is a City resident who, on the first day of any calendar month, is (a) 65 years of age or is determined to be totally disabled by the Social Security Administration and (b) has an annual gross income, exclusive of Social Security, less than or equal to the 80% MFI (low-income median family income limits established annually by the U.S. Department of Housing and Urban Development) for one or two person households. License taxes paid by exempt customers for electric, gas or telephone are refunded back to the exempt customers who provide acceptable proof that they meet the aforementioned requirements. The rebate amount is paid from the City's General Fund.

Use Tax Revenue. In June 2020, the City's voters approved the imposition of a local use tax at the same rate as the local sales tax rate. The Use Tax Fund is restricted for police and streets. In 2024, the City transferred \$2,165,000 from that fund to help offset costs of the new police training facility (a portion of the costs of which are being paid with the Series 2024B Bonds). The Use Tax Fund now has a balance of approximately \$5,000,000.

Marijuana Sales Tax. In April 2023, the City's voters approved the imposition of a 3% sales tax on recreational marijuana. The tax became effective on October 1, 2023. The revenues from this tax are recorded with the General Sales Taxes.

Licenses, Fees & Other Revenue. Licenses, fees and other revenue are charges for services provided by the City.

Intergovernmental. Intergovernmental revenue includes Federal, State, and County receipts. The County reviews the allocation annually and sets the allocation method according to the directive of the County Council.

Interest. Interest revenue is earned on the City's investment portfolio. The City invests idle funds, excluding funds used for pensions and funds in trust in the Enterprise Funds.

* * *

APPENDIX B

CITY OF O'FALLON, MISSOURI

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
WITH INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2024**

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2024 Annual Comprehensive Financial Report

Fiscal Year Ended December 31, 2024 • City of O'Fallon



City of O'Fallon, Missouri
Annual Comprehensive Financial Report



Fiscal Year Ended
December 31, 2024

Prepared By: Department of Finance

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Introduction

2024 Annual Comprehensive Financial Report
City of O'Fallon, Missouri



100 NORTH MAIN STREET
O'FALLON, MISSOURI 63366
636.240.2000
www.ofallonmo.gov

May 30, 2025

Honorable Mayor, City Council Members, City Administrator, and Citizens of O'Fallon:

Dear Ladies and Gentlemen:

The annual comprehensive financial report of the City of O'Fallon, Missouri for the fiscal year ended December 31, 2024 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the government. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the government. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City of O'Fallon's financial statements have been audited by Sikich CPA LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of O'Fallon for the fiscal year ended December 31, 2024, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of O'Fallon's financial statements for the fiscal year ended December 31, 2024, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Government

O'Fallon was incorporated in 1912. On April 7, 2009, the City adopted a home-rule charter under Missouri Revised Statutes utilizing the Mayor – City Council – City Administrator form of government. The Council is comprised of two councilmen duly elected from each of the City's five wards, and a Mayor who is elected at large. The Mayor serves a four-year term, and the

Council serves three-year terms. The City Administrator is appointed by the Mayor and approved by the City Council to serve as the chief executive officer of the City.

The City Council sets the policy for the City, and the City Administrator is responsible for administering this policy in the day-to-day activities of City operations.

The financial statements include all funds, agencies, boards, commissions, and authorities for which the City is financially accountable in accordance with the provisions of GASB statements.

The City of O'Fallon is a full-service city and provides general administrative services, police protection, highways and streets, water and sewer, community development, parks and recreation, and environmental services.

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

Economic Condition

The City of O'Fallon encompasses 31.07 square miles. The City of O'Fallon is located in St. Charles County, Missouri, about 30 minutes west of the St. Louis City limits on Interstate 70. The City is bisected in a north-south direction by Missouri State Highways M and K and in an east-west direction by Interstates 70, 40/61 and Highway 364. The population of the City for 2024 is estimated at 95,505 people.

The long-term economic condition and outlook for the City is positive. The economic base is diverse and consists of a mix of residential, manufacturing, financial services, governmental services, education and healthcare. Our major employers consist of MasterCard Int., 3,450 employees; Citigroup, 2,001 employees; Carshield (NRRM, LLC), 653 employees; and SAK Construction with 502 employees. The City has seen a recent rise in commercial growth with 310 permits issued during 2024 which is a 21% increase over 2023. The continued commercial growth can be attributed to several key factors, including a rising population, the expansion of industrial activity, and increased investment in sports tourism.

The number of housing starts increased from 314 in 2023 to 360 in 2024 which is a 15% increase. It is anticipated that the City will see sustained residential growth over the next couple of years, driven by the presence of multiple subdivisions that remain in various stages of development. O'Fallon has recently been ranked #21 on "Best Places to Live in the Midwest", by Consumer Affairs and #13 on the "Safest Cities in Missouri", by safewise.com.

The City's sales tax revenues increased by 7.7% in 2024 as compared to 2023. The sales tax is expected to increase by 4% in 2025 due to some continued economic growth, despite challenges such as inflation and increased tariffs. The City Council levied a property tax rate of \$.4400 per \$100 assessed valuation for 2024 which is a decrease of \$.0059 from the previous year. The outlook on the City's long-term economic base is stable.

Long-term Financial Planning

The City Charter requires the submission of a Capital Improvement Program (CIP) to be included with the City's budget. The program consists of a) a clear general summary; b) a list of all capital improvements which are proposed to be undertaken during the five (5) fiscal years next ensuing, with appropriate supporting information as to the necessity for such improvements; c) cost estimates, method of financing and recommended time schedules for each such improvement; and d) the estimated annual cost of operating and maintaining the facilities to be constructed or acquired.

City Council has continued the previously adopted Strategic Plan prioritizing the City's goals. The goals listed are as follows: 1) financially sound and high performing city, 2) great place to live, 3) upgraded city facilities and infrastructure, and 4) vibrant community. There are action items outlined for each of these goals along with projected timeframes for completion.

During the annual budget process, staff prepares Revenue Summaries for the City's major revenue sources showing the ten-year trend of the revenue and providing for a current year budget message which provides insight into the current year and possibly future year budget predictions.

The City Council has adopted policies for the application of Special-purpose Taxing Districts which include Community Improvement Districts (CID), Transportation Development Districts (TDD), and Neighborhood Improvement Districts (NID). These Special Taxing Districts help to fund the public improvements to support economic growth and a more vibrant community. The City also offers tax abatements, as defined by GASB 77, such as: Industrial Development Bonds (Chapter 100) and Sales Tax Rebate agreements. The City would consider Chapter 353 Tax Abatements or Tax Increment Financing (TIF) Agreements if certain requirements are met, although the City does not currently utilize these incentives. Tax abatements are not approved unless there is new capital investment which increases the real and/or personal property taxes of the developed area and new jobs. The City utilizes a clawback clause in property tax abatement agreements to ensure the average wage paid equal or exceeds the county average wage and the agreed upon number of new jobs created. Further information can be found at https://www.selectofallon.com/doing_business/taxes_and_incentives.php.

Debt Management

S&P Global Ratings reviewed the rating on O'Fallon, Mo.'s general obligation (GO) bonds during 2024 and increased the rating from an 'AA' to an 'AA+' with a stable outlook. According to S&P Global, "The upgrade reflects the city's sizeable reserves stemming from consistent operating surpluses which reflect management's robust and proactive budgetary practices." S&P Global Ratings further states, "We view budgeting practices as conservative and proactive. The proactive budgeting is supported by the budget including a three-year forecast and a rolling capital improvement plan. The city has formally adopted debt and investment policies that mirror the statutory limits along with a robust reserve policy that has been escalating to match the contingency needs of the expanding services and tax base." The City currently has a 40% reserve balance policy with discussions to increase reserves closer to 60% which is more reflective of higher rated cities.

Relevant Financial Policies

The Finance Department strives to keep abreast of current trends and procedures for cash management and forecasting to ensure the most efficient and profitable use of the City's cash resources. While efforts are made to maximize the return on the City's investment dollar, the primary concern is to always assure the return on principal. To maximize investment earnings, the City consolidates cash balances of all funds except for certain restricted funds. Idle cash during the year was invested in an investment account (agency funds).

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget adopted by the City Council. Activities of the General, Special Revenue, Capital Projects and Debt Service Funds are included in the annually appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. Effective budgetary control is also aided in the General Fund by establishing control at the individual department levels. In addition, the City Council adopts an annual budget for the enterprise funds as a management control device to facilitate the monitoring of expenditures. Unencumbered appropriations lapse at year-end.

The City utilizes the capital improvement program to adequately maintain and enhance the public's capital assets over their useful life. In order to adequately maintain assets that are used routinely and have a shorter useful life, they are identified as part of the City's annual replacement program. Examples of these assets include computers, vehicles and body armor for the police officers. A percentage of these assets are replaced each year to prevent the cost being too great in any given year.

Major Initiatives

During 2024, the City completed construction of the Main Street Phase I project and completed design of the Main Street Phase II, Weldon Spring Road Improvements Phase I, and the Highways K / N Intersection Improvements projects. The City completed design and started construction on the Wastewater Treatment Headworks Screening Building and the Alluvial Well #6.

During 2023, the City completed preliminary design on a new Public Works Facility and in 2024 completed final design and initial site work. The facility will house 81 employees in the Public Works Department and nine employees in the Fleet Maintenance Division. Two main buildings will be constructed with a combined area of approximately 60,000 square feet. The project also includes a new salt storage facility, a fueling station, canopies to protect equipment from the weather and a truck wash bay.

During 2024, the City of O'Fallon entered into a Joint Venture with the City of St. Charles to construct the Center for Advanced Skills Training in Law Enforcement. This facility will be dedicated to providing law enforcement professionals with cutting-edge training in firearms, emergency vehicle operations, defensive tactics, and specialized law enforcement skills. The immersive, scenario-based training provided by the facility will prepare officers for real-world situations. During 2024, construction of the Range began and has been completed in early 2025. The Range is a 200-yard rifle range and a 50-yard flat range with 20 lanes. Phase II of the facility will include a building with 8 classrooms, an emergency vehicle operations course, a two-story simunition house, an obstacle course, and areas for water rescue, drone and K-9 training. Phase II will begin construction in 2025 with expected completion in 2026.

The City will continue to seek alternative funding sources, such as grants, and analyzing City operations for areas of efficiency and cost effectiveness.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of O'Fallon, Missouri for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2023. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Annual Comprehensive Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine the eligibility for another certificate.

In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for fiscal year 2024. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report could not have been accomplished without the assistance and dedication of the Finance Department's staff. I would like to express my appreciation to the City Administrator and the entire Management Team for their cooperation in providing information to make this report possible.

The assistance and recommendations in the preparation of this report from the City's independent certified public accountants, Sikich CPA LLC, is greatly appreciated. Sincere gratitude is also extended to the Mayor and each member of the City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Vicki M. Boschert, CPA
Director of Finance

City of O’Fallon City Officials

Mayor

William Hennessy (2025*)

City Council

Ward 1

John Roth (2026*)

Deana Smith (2025*)

Ward 3

Nathan Bibb (2026*)

Steve Koskela (2025*)

Ward 5

Linda Ragsdale (2026*)

Debbie Cook (2025*)

Ward 2

Lisa Thompson (2026*)

Tom Herweck (2025*)

Ward 4

Jeff Kuehn (2026*)

Jim Ottomeyer (2025*)

City Administrator

Michael Snowden

City Attorney

Kevin O’Keefe

Municipal Judge

Tim Engelmeyer

Finance Director

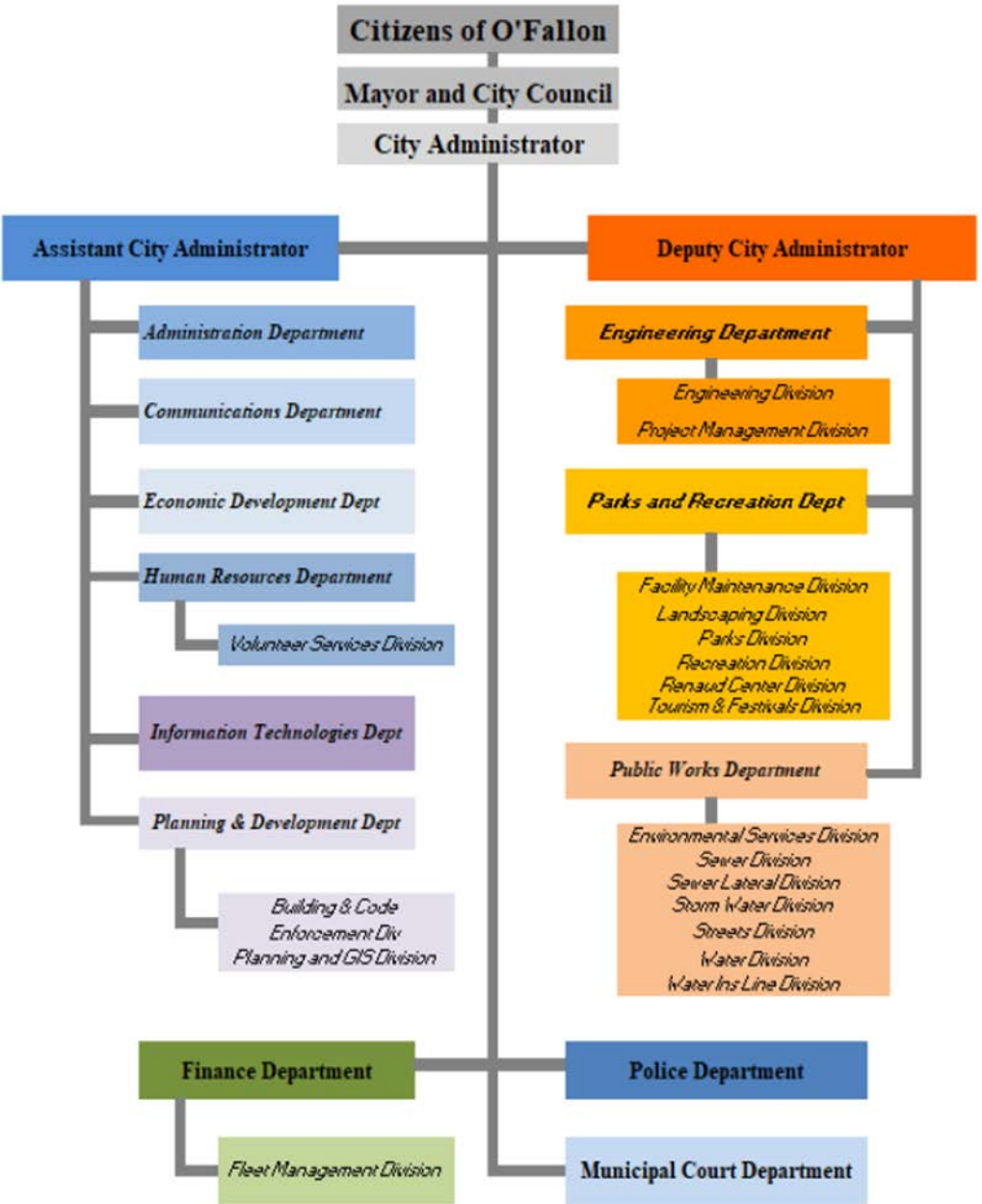
Vicki M. Boschert, CPA

Assistant City Administrator.....	Lenore Toser-Aldaz
Deputy City Administrator	Tom Drabelle
City Clerk.....	Bess Bacher
Public Works Director	Steve Bender
Planning & Development Director	David Woods
Chief of Police	Frank Mininni
Human Resources Director	Tanya Davies
Parks Director	Bill Mitchison
Recreation Director	Craig Feldt
Economic Development Director	Patrick McKeehan
Communications Director	Tony Michalka
City Auditor	Carl Zilch

* Denotes term expiration, all terms expire in April.

City of O’Fallon, Missouri

2024 Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of O'Fallon
Missouri**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morill

Executive Director/CEO



Financials

2024 Annual Comprehensive Financial Report
City of O'Fallon, Missouri

12655 Olive Blvd., Suite 200
St. Louis, MO 63141
314.275.7277

SIKICH.COM

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council
City of O'Fallon, Missouri

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of O'Fallon, Missouri (the City), as of and for the year ended December 31, 2024, and the related notes to 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 the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City, as of December 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 these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City 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 a Matter

As discussed in Note 14, in 2024, the City adopted Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*, which decreased beginning net position and increased liabilities for governmental activities and business-type activities, including the Water, Sewer, Environmental Services, and Renaud Center enterprise funds. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America 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'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.

Auditor's 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 auditor's 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'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'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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents 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's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information is 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. The 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, supplementary information is 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 introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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 May 30, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the City's 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 the City's internal control over financial reporting and compliance.

Sikich CPA LLC

St. Louis, Missouri
May 30, 2025

12655 Olive Blvd., Suite 200
St. Louis, MO 63141
314.275.7277

SIKICH.COM

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and Members of the City Council
City of O'Fallon, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of O'Fallon (the City) as of and for the year ended December 31, 2024, and the related notes to financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 30, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sikich CPA LLC

St. Louis, Missouri
May 30, 2025



MANAGEMENT'S DISCUSSION AND ANALYSIS

City of O’Fallon, Missouri

Management’s Discussion and Analysis

Fiscal Year Ended December 31, 2024

Introduction

As management of the City of O’Fallon, Missouri (the City), we offer readers of the City’s financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2024. We encourage readers to use this document in conjunction with the transmittal letter in the Introductory Section of this report and with the City’s financial statements that follow this section.

Financial Highlights

- On a government-wide basis, the assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$343,710,982 (net position). Of this amount, \$61,074,936 is considered unrestricted. The unrestricted net position of the City’s governmental activities is \$32,715,998 and may be used to meet the City’s ongoing obligations. The unrestricted net position of the City’s business-type activities is \$28,358,938 and may be used to meet the ongoing obligations of the City’s water, sewer, environmental services, Renaud Center, public venue and public training facility activities.
- The net position of the City at December 31, 2024 increased \$27,491,204 from \$316,219,778 as restated to \$343,710,982 or 8.7% from the prior year.
- As of the close of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$88,801,320. Approximately 37% of this total amount, \$32,682,393 is *available for spending* at the City’s discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$32,682,393, or 82% of total General Fund expenditures.
- The City’s total long-term debt increased by a net amount of \$5,291,973, or 4.9%, during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City’s basic financial statements. The City’s basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains 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’s finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City’s assets, deferred outflows, liabilities and deferred inflows, with the difference reported as *net position*. Over

City of O'Fallon, Missouri

Management's Discussion and Analysis

Fiscal Year Ended December 31, 2024

time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the 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 (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, highways and streets, community development, parks, recreation and tourism, and municipal court. The business-type activities of the City include water and sewer services, environmental services, Renaud Center, public venue, the City's stadium operation, and the public training facility.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and 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.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds 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 City's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains twelve individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund,

City of O'Fallon, Missouri

Management's Discussion and Analysis

Fiscal Year Ended December 31, 2024

Street & Road Improvement Fund, Recreation Fund, Storm Water Fund, Use Tax Fund, and Debt Service Fund, all of which are considered to be major funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its General, Street & Road Improvement, Recreation, Storm Water and Use Tax Funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with this budget.

Proprietary funds. The City maintains six Enterprise Funds, a type of proprietary fund. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses Enterprise Funds to account for its water and sewer services, environmental services, Renaud Center, public venue, the City's stadium operation, and public training facility.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer services, environmental services, Renaud Center, public venue, the City's stadium operation, and public training facility, all of which are considered to be major funds of the City.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City maintains three Custodial Funds, a fiduciary fund type, to account for the Lake St Louis Municipal Court, Weldon Spring Municipal Court, and Waterbury Storm CID under custodial agreements.

Notes to 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.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary comparisons for the General, Street & Road Improvement, Recreation, Storm Water and Use Tax Funds and information concerning the City's progress in funding its obligation to provide pension benefits to its employees represent financial information required by GASB to be presented.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

City of O’Fallon, Missouri
Management’s Discussion and Analysis
Fiscal Year Ended December 31, 2024

Government-wide Financial Analysis

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$343,710,982 at the close of the most recent fiscal year.

The City’s net investment in capital assets (land, construction in progress, buildings, equipment, improvements, infrastructure, and intangible assets) totals \$235,907,321. As capital assets, these resources are not available for future spending, nor can they be readily liquidated to pay off their related liabilities. Resources needed to repay capital-related debt must be provided from other sources.

(See next page for chart)

City of O'Fallon, Missouri
Management's Discussion and Analysis
Fiscal Year Ended December 31, 2024

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current and other assets	\$ 102,522,089	\$ 93,262,337	\$ 52,054,785	\$ 39,984,397	\$ 154,576,874	\$ 133,246,734
Capital assets	212,036,040	209,875,249	131,614,586	121,977,922	343,650,626	331,853,171
Total Assets	314,558,129	303,137,586	183,669,371	161,962,319	498,227,500	465,099,905
Deferred Outflow of Resources						
Deferred pension related	9,103,476	4,906,909	1,326,774	470,519	10,430,250	5,377,428
Deferred OPEB related	3,166,525	3,702,694	161,186	191,250	3,327,711	3,893,944
Deferred on refunding	-	-	204,540	264,405	204,540	264,405
Deferred from ARO	-	-	197,067	202,800	197,067	202,800
Total Def Outflows	12,270,001	8,609,603	1,889,567	1,128,974	14,159,568	9,738,577
Liabilities						
Long-term liabilities						
outstanding	74,706,060	74,589,170	65,141,582	54,227,333	139,847,642	128,816,503
Other liabilities	11,919,523	12,298,293	8,267,493	6,893,961	20,187,016	19,192,254
Total Liabilities	86,625,583	86,887,463	73,409,075	61,121,294	160,034,658	148,008,757
Deferred Inflow of Resources						
Deferred leases	1,043,711	1,143,352	1,684,857	1,828,142	2,728,568	2,971,494
Deferred pension related	1,441,486	2,003,715	380,228	465,336	1,821,714	2,469,051
Deferred OPEB related	3,859,793	3,859,628	202,022	179,454	4,061,815	4,039,082
Deferred on refunding	-	-	29,331	34,360	29,331	34,360
Total Def Inflows	6,344,990	7,006,695	2,296,438	2,507,292	8,641,428	9,513,987
Net Position						
Net investment						
in capital assets	154,412,834	148,825,701	81,494,487	70,833,979	235,907,321	219,659,680
Restricted	46,728,725	44,750,779	-	-	46,728,725	44,750,779
Unrestricted	32,715,998	24,276,551	28,358,938	28,628,728	61,074,936	52,905,279
Total Net Position	\$ 233,857,557	\$ 217,853,031	\$ 109,853,425	\$ 99,462,707	\$ 343,710,982	\$ 317,315,738

City of O’Fallon, Missouri
Management’s Discussion and Analysis
Fiscal Year Ended December 31, 2024

An additional portion of the City’s net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$61,074,936 is explained further below.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position for the City as a whole. The reporting model includes the reporting of the City’s infrastructure as a capital asset, including assets acquired retroactive to 1980.

Changes in Position. The City’s total net position increased by \$27,491,204. This increase in net position is a result of continued economic growth. The City’s population increased by an estimated 1,431 residents. There were 360 residential construction permits issued along with 310 commercial construction units. Key elements to the changes in net position follow:

(See next page for chart)

City of O'Fallon, Missouri

Management's Discussion and Analysis

Fiscal Year Ended December 31, 2024

City of O'Fallon's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues:						
Charges for services	\$ 6,687,537	\$ 6,044,136	\$ 29,787,083	\$ 29,092,407	\$ 36,474,620	\$ 35,136,543
Operating grants and contributions	6,459,734	1,734,897	-	-	6,459,734	1,734,897
Capital grants and contributions	14,000,602	12,124,679	3,530,122	356,681	17,530,724	12,481,360
General revenues:						
Property taxes	14,627,624	14,886,596	-	-	14,627,624	14,886,596
Sales taxes	35,485,085	37,579,256	-	-	35,485,085	37,579,256
Use taxes	7,089,981	8,136,854	-	-	7,089,981	8,136,854
Franchise and public	7,904,432	10,359,339	-	-	7,904,432	10,359,339
Intergovernmental revenue	-	-	-	-	-	-
Other	4,798,502	4,763,402	1,412,068	1,355,712	6,210,570	6,119,114
Total Revenues	97,053,497	95,629,159	34,729,273	30,804,800	131,782,770	126,433,959
Expenses						
General government	18,368,386	21,686,674	-	-	18,368,386	21,686,674
Public safety	20,729,102	18,968,281	-	-	20,729,102	18,968,281
Highways and streets	19,857,287	22,815,559	-	-	19,857,287	22,815,559
Community development	4,440,030	3,757,882	-	-	4,440,030	3,757,882
Parks, recreation & tourism	11,180,764	9,394,145	-	-	11,180,764	9,394,145
Municipal court	613,726	557,924	-	-	613,726	557,924
Interest on long-term debt	1,552,440	1,730,957	-	-	1,552,440	1,730,957
Water	-	-	8,280,256	7,743,416	8,280,256	7,743,416
Sewer	-	-	10,110,469	9,862,955	10,110,469	9,862,955
Environmental services	-	-	5,293,852	5,413,540	5,293,852	5,413,540
Renaud Center	-	-	3,525,506	2,927,170	3,525,506	2,927,170
Public venue	-	-	325,996	384,197	325,996	384,197
Public training facility	-	-	13,752	-	13,752	-
Total Expenses	76,741,735	78,911,422	27,549,831	26,331,278	104,291,566	105,242,700
Increase in Net Position						
Before Transfers	20,311,762	16,717,737	7,179,442	4,473,522	27,491,204	21,191,259
Transfers	(3,365,000)	(3,202,548)	3,365,000	3,202,548	-	-
Increase in Net Position	16,946,762	13,515,189	10,544,442	7,676,070	27,491,204	21,191,259
Net Position - Beginning of Year	217,853,031	205,256,326	99,462,707	92,978,749	317,315,738	298,235,075
Prior Period Adjustment	(942,236)	(918,484)	(153,724)	(1,192,112)	(1,095,960)	(2,110,596)
Net Position - Beginning of Year as Restated	216,910,795	204,337,842	99,308,983	91,786,637	316,219,778	296,124,479
Net Position - End of Year	\$ 233,857,557	\$ 217,853,031	\$ 109,853,425	\$ 99,462,707	\$ 343,710,982	\$ 317,315,738

City of O'Fallon, Missouri

Management's Discussion and Analysis

Fiscal Year Ended December 31, 2024

Governmental activities. Governmental activities increased the City's net position by \$16,946,762, thereby accounting for 62% of the total growth in the net position of the City.

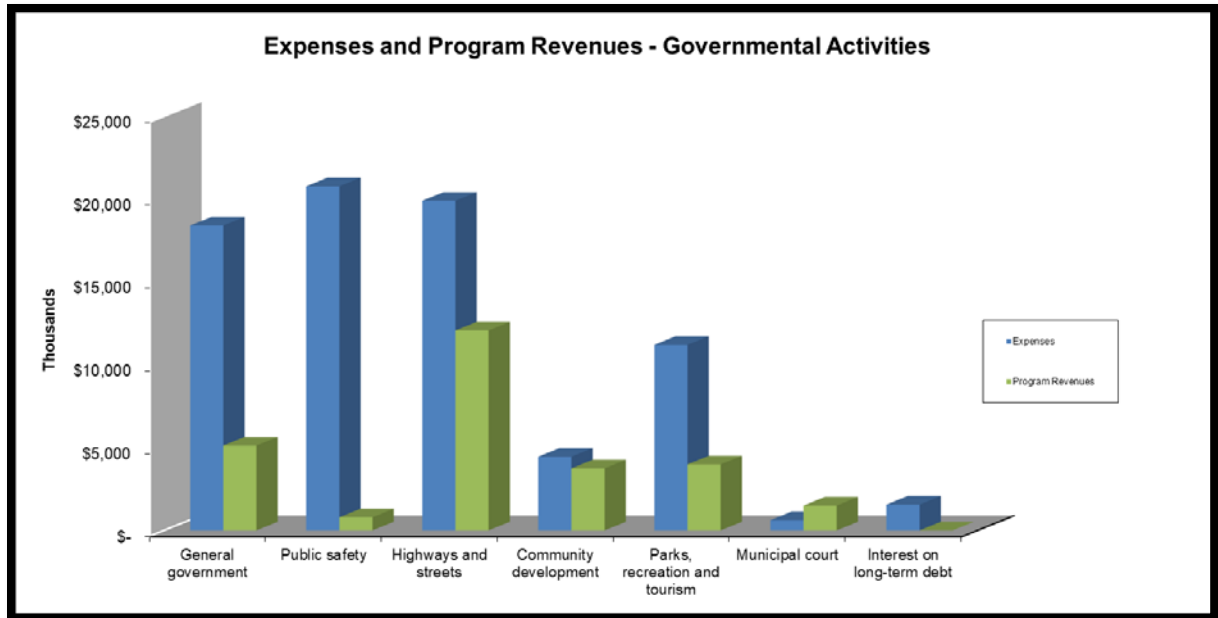
- There was an overall decrease in sales taxes of \$2,094,171. Approximately \$5 million in state motor fuel tax that was recorded as sales tax in previous years is now recorded as an operating grant and contribution. Voters approved a new 3% adult use sales tax during 2023, so an entire year was collected for 2024. Sales tax continues to increase as the population continues to grow and additional businesses locate to the City.
- There was an increase in insurance proceeds of \$6,529,150. This was due to city vehicle and property damage due to the March 14, 2024 hailstorm.
- The City has received monies from the County Transportation Fund and the Missouri Highway Department of Transportation to reimburse itself for costs relating to Main Street phases 1, 2 and 3, Weldon Spring Road, Hoff Road, Highway K & N intersection improvements, Eggering Drive, Tom Ginnever Blvd, West Terra Realignment, Diehr Road, Lake St Louis Blvd, Guthrie Road and Sommers Road widening. During fiscal year 2024 this amounted to \$3,327,408 and was reported as capital grants and contributions. Other items recorded to this category are the state motor fuel tax revenue and County Road and Bridge Funds. State motor fuel tax increased due to the rate increase on July 1, 2023 from \$0.195 to \$0.245 per gallon. A full year was collected during 2024 at the higher amount.
- Capital expenditures decreased in Highways and Streets by \$2,713,093 from the prior year due to the timing of the multi-year capital projects for road improvements.

Following is a chart comparing program revenues and expenses for the individual governmental activities for the current year. As the chart reflects, highways and streets, community development, and municipal court relied on correlating program revenues to support the function or at least a material percent of the function. Property and sales taxes assisted in supporting general government, public safety, parks, recreation and tourism, and interest on long-term debt.

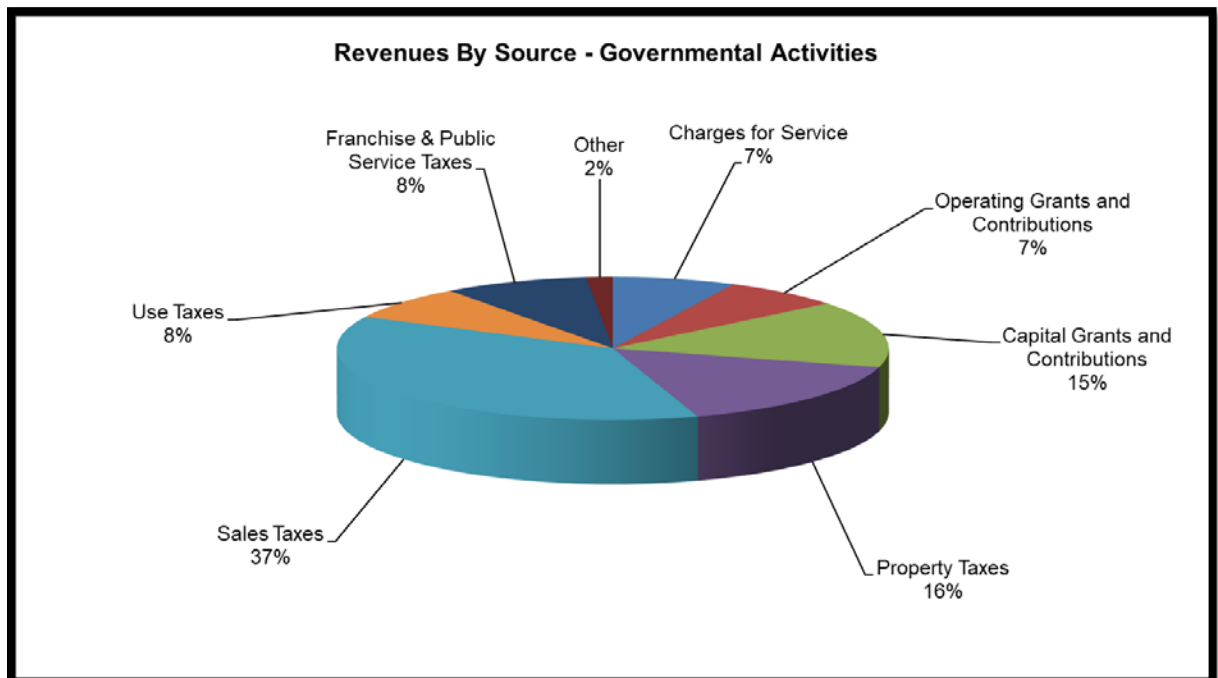
City of O'Fallon, Missouri

Management's Discussion and Analysis

Fiscal Year Ended December 31, 2024



The next chart reflects the percent of the total for each source of revenue supporting governmental activities.



Business-type activities. Business-type activities increased the City's position by \$10,544,442 accounting for 38% of the total growth in the City's net position.

City of O'Fallon, Missouri

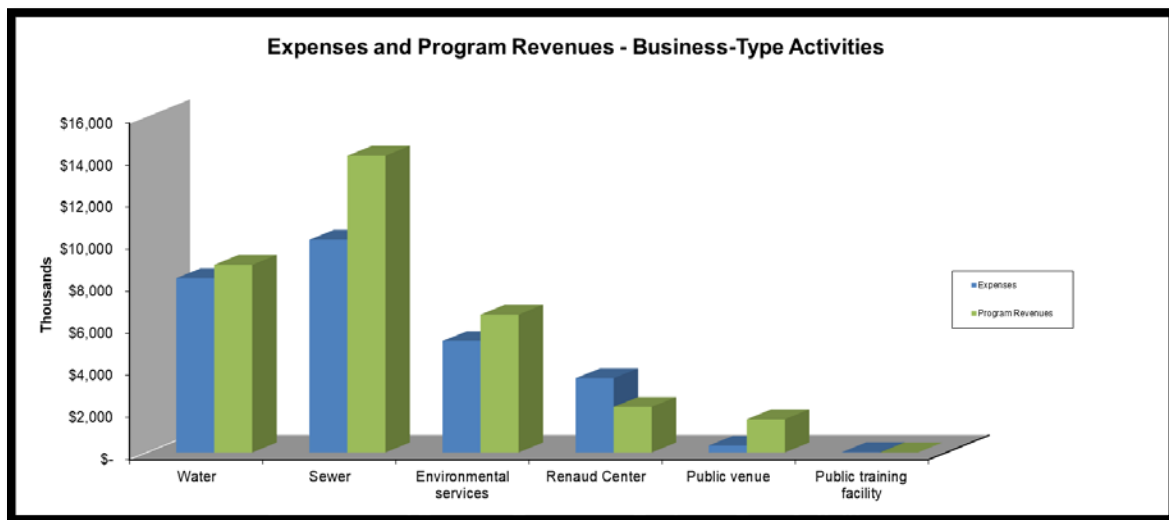
Management's Discussion and Analysis

Fiscal Year Ended December 31, 2024

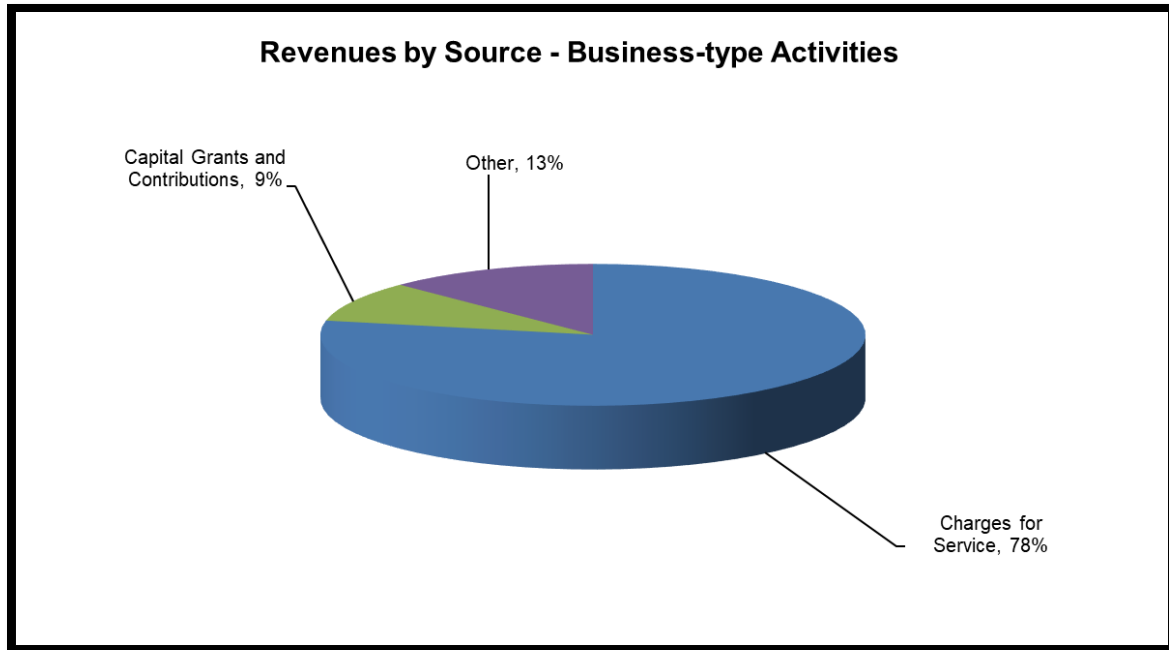
- Revenues for water, sewer and environmental services utility billing increase \$1,201,900 due to the residential growth in the City.
- Insurance proceeds were received in the amount of \$3,097,850 for water, sewer, environmental services and public venue due to the March 14, 2024 hailstorm.
- A transfer of \$900,000 was done from the Recreation fund to the Renaud Center fund to help cover costs of operation for the facility.
- A transfer of \$2,165,000 was done from the Use Tax fund to the new Public Training Facility Fund to help offset costs of the new police training facility.
- Capital expenditures increased in water and sewer by \$2,995,803 over the prior year due to the timing of the multi-year capital projects for infrastructure improvements.

Following are charts comparing program revenues and expenses by individual business-type activity and the percent of the total for each source of revenue supporting business-type activities for the current year.

Although these business-type activities recover more costs through program revenues than governmental activities, the water, sewer and environmental services activities generated sufficient revenue to cover current expenses. In other words, the services for these activities are substantially being supported by user fees which are based upon each household's usage.



City of O’Fallon, Missouri
Management’s Discussion and Analysis
Fiscal Year Ended December 31, 2024



Financial Analysis of the City’s Governmental Funds

The focus of the City’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$88,801,320, an increase of \$9,776,997 in comparison with the prior year. Approximately 37% of the ending fund balance of the governmental funds is unassigned and available for appropriation for the general purposes of the funds. The remainder of the fund balance indicates that it is not available for spending because it has already been committed for encumbrances, debt service, grants, and prepaid assets.

General Fund. The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$32,682,393 while total fund balance was \$43,440,268. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 82% of total General Fund expenditures, while total fund balance represents 109% of that same amount.

The fund balance of the City’s General Fund increased by \$7,574,693 during the current fiscal year. Important factors to note are as follows:

City of O'Fallon, Missouri

Management's Discussion and Analysis

Fiscal Year Ended December 31, 2024

- ♦ Sales taxes increased by \$1,570,291 over the prior year. Sales tax continues to increase as the population continues to grow and additional businesses locate to the City. The voters approved a new 3% adult use tax during 2023, so an entire year was collected for 2024.
- ♦ Insurance proceeds increased by \$4,198,598 due to the March 14, 2024 hailstorm.

Street & Road Improvement Fund. The Street & Road Improvement Fund has a total fund balance of \$14,127,980 all of which is restricted or nonspendable for street improvements. Restricted fund balance represents 73% of total Street & Road Improvement Fund expenditures. Street improvement projects included Main Street phases 1, 2 and 3, Weldon Spring Road, Hoff Road, Highway K & N intersection improvements, Eggering Drive, Tom Ginnever Blvd, West Terra Realignment, Diehr Road, Lake St Louis Blvd, Guthrie Road and Sommers Road widening.

The fund balance of the City's Street & Road Improvement fund increased by \$829,668 during the current fiscal year. Important factors to note are as follows:

- ♦ Capital expenditures decreased by \$2,713,093 over the prior year due to the timing of the multi-year capital projects for road improvements.
- ♦ Insurance proceeds increased by \$109,756 due to the March 14, 2024 hailstorm.
- ♦ Taxes increased by \$489,227 over the prior year. Sales tax continues to increase as the population continues to grow and additional businesses locate to the City.
- ♦ State motor fuel tax also increased due to the rate increase on July 1, 2023 from \$0.195 to \$0.245 per gallon. A full year was collected during 2024 at the higher amount.

Recreation Fund. The Recreation Fund has a total fund balance of \$9,958,543, all of which is restricted or nonspendable for the City's parks, recreation and tourism program. Restricted fund balance represents 135% of total Recreation Fund expenditures.

The fund balance of the City's Recreation fund increased by \$2,719,602 during the current fiscal year. Important factors to note are as follows:

- ♦ The Recreation fund transferred \$900,000 to the Renaud Center fund to cover operating costs of the facility.
- ♦ Insurance proceeds increased by \$2,146,246 due to the March 14, 2024 hailstorm.
- ♦ Charges for services increased by \$229,620 over the prior year. The outdoor pool was open more days out of the week during 2024. This also included more concessions sales.

Storm Water Fund. The Storm Water Fund was created in 2009 and has a total fund balance of \$4,046,636, all of which is restricted or nonspendable for the City's storm water program. Restricted fund balance represents 221% of total Storm Water Fund expenditures.

City of O'Fallon, Missouri

Management's Discussion and Analysis

Fiscal Year Ended December 31, 2024

The fund balance of the City's Storm Water Fund increased by \$556,033 during the current fiscal year. Important factors to note are as follows:

- ♦ Investment earnings increased by \$28,398 with the increase in interest rates.
- ♦ A \$35,000 transfer was made from the general fund for the purposes of the 50/50 cost share program.

Use Tax Fund. The Use Tax Fund was created in 2020 and has a total fund balance of \$4,989,074, all of which is restricted or nonspendable for the City's Use Tax program for police and streets. Restricted fund balance represents 64% of total Use Tax Fund expenditures.

The fund balance of the City's Use Tax Fund decreased by \$2,515,409 during the current fiscal year. Important factors to note are as follows:

- ♦ Capital outlay increased by \$2,120,750 for the purchase of 51 new police vehicles and cost for the new police training facility.
- ♦ The Use Tax fund transferred \$2,165,000 to the Public Training Facility fund for to help offset the costs of the new police training facility.
- ♦ Two new leases were initiated for flock cameras and additional police officer and in car cameras.

Debt Service Fund. The Debt Service Fund has a total fund balance of \$8,012,748, all of which is restricted for the payment of debt service. Restricted fund balance represents 185% of total Debt Service Fund expenditures.

The fund balance of the City's Debt Service Fund increased by \$240,465 during the current fiscal year. Important factors to note are as follows:

- ♦ Property taxes decreased by \$80,082 as the tax rate decreased from 0.1550 to 0.1491.
- ♦ Investment earnings increased by \$24,019 with the increase in interest rates.

Nonmajor Governmental Funds. The fund balance of the City's nonmajor funds increased by \$371,945 during the current fiscal year. Important factors to note are as follows:

- ♦ There was a transfer from the Transient Guest Tax Fund to the Public Venue Fund in the amount of \$300,000.
- ♦ Investment earnings increased by \$25,573 with the increase in interest rates.

Budgetary Highlights - General Fund. Differences between the original budget and the final amended budget for expenditures, including transfers, resulted in a 10% increase. Mid-year budget amendments were adopted by the City Council as follows:

City of O’Fallon, Missouri
Management’s Discussion and Analysis
Fiscal Year Ended December 31, 2024

- ♦ \$80,000 budget increase for Project Home revenue used from deferred revenue for the Radon Testing & Mitigation Program and the Non-Profit Organization Grant Program.
- ♦ \$420 budget increase for Community Services revenue for a Safety Town Program donation.
- ♦ \$4,141,300 budget increase for insurance proceeds for city vehicles and property damage from the March 14, 2024 hailstorm.
- ♦ \$449,338 budget increase in operating expenditures for Communications, IT, Engineering, Police, and HR for Project Home’s Radon Testing & Mitigation Program offset by deferred revenue, costs associated with moving the City’s domain to .gov, IT equipment such as security cameras and VPN connections, additional Engineering Inspector position and associated equipment, Police Communication’s Training and Quality Assurance Officer position and associated equipment, and equitable sharing expenses for rifles and accessories,
- ♦ \$581,775 budget increase in insurance claim deductibles to repair vehicles, roofs and other miscellaneous items from the March 14, 2024 hailstorm.
- ♦ \$638,000 budget increase in capital expenditures to purchase properties approved by City Council.
- ♦ \$407,356 budget increase in capital expenditures for projects such as IT equipment, landscaping utility trailer, Communications technology upgrades for the City Council chambers, Engineering Inspector vehicle, canine equipment for the Police Department, and additional improvements for the City Hall renovation project and heat exchanger.
- ♦ \$2,032,090 in open purchase orders from 2023 rolled forward along with a budget transfer to 2024, increasing the expenditure budget.

During the year, actual expenditures were less than the revenues, resulting in an actual increase in fund balance of \$7,574,693. Significant variations between the final budget and actuals are as follows:

- ♦ Sales tax received was \$1,518,839 more than budgeted. Sales tax continues to increase as the population continues to grow and additional businesses locate to the City.
- ♦ Property tax received was \$116,659 more than budgeted.
- ♦ Wages and benefits were \$1,189,713 under budget due to vacancies during 2024.
- ♦ Health insurance costs were \$498,695 over budget. The City is self-insured and pays actual claims.
- ♦ \$1,221,722 in encumbrances lapsed at year-end in the current fiscal year but are re-appropriated in the following fiscal year to authorize the continuation of the transaction.
- ♦ The City conservatively budgets expenditures and does not make many adjustments during the year to reflect actual results. The remaining differences in operating revenues and expenditures can be attributed to vacant positions, changes in medical claims, and changes in liability and worker’s compensation claims.

The City’s fund balance at the end of the current year was \$43,440,268.

City of O’Fallon, Missouri

Management’s Discussion and Analysis

Fiscal Year Ended December 31, 2024

Financial Analysis of the City’s Proprietary Funds

Water Fund. Unrestricted net position of the Water Fund at the end of the year amounted to \$2,340,098. The change in unrestricted net position for the current year was a decrease of \$2,389,005.

Sewer Fund. Unrestricted net position of the Sewer Fund at the end of the year amounted to \$16,285,990. The change in unrestricted net position for the current year was a decrease of \$94,903.

Environmental Services Fund. Unrestricted net position of the Environmental Services Fund at the end of the year amounted to \$5,540,158. The change in unrestricted net position for the current year was an increase of \$925,187.

Renaud Center Fund. Unrestricted net position of the Renaud Center Fund at the end of the year amounted to \$1,264,255. The change in unrestricted net position for the current year was a decrease of \$205,920.

Public Venue Fund. Unrestricted net position of the Public Venue Fund at the end of the year amounted to \$2,544,105. The change in unrestricted net position for the current year was an increase of \$1,774,318.

Public Training Facility Fund. Unrestricted net position of the Public Training Facility Fund at the end of the year amounted to \$384,332. The change in unrestricted net position for the current year was a decrease of \$279,467.

Capital Assets and Debt Administration

Capital assets. The City’s investment in capital assets for its governmental and business-type activities as of December 31, 2024, amounts to \$343,650,626 (net of accumulated depreciation and amortization). This investment in capital assets includes land, construction in progress, buildings, improvements, equipment, intangible assets and infrastructure. The total increase in the City’s investment in capital assets for the current fiscal year was 3.6% (a 1.0% increase for governmental activities and a 7.9% increase for business-type activities).

City of O'Fallon, Missouri

Management's Discussion and Analysis

Fiscal Year Ended December 31, 2024

City of O'Fallon's Capital Assets

(net of depreciation and amortization)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 22,732,571	\$ 22,198,961	\$ 2,966,730	\$ 2,966,730	\$ 25,699,301	\$ 25,165,691
Construction in progress	10,209,840	8,418,320	18,643,000	7,224,860	28,852,840	15,643,180
Buildings	39,611,405	41,418,953	53,389,034	55,048,469	93,000,439	96,467,422
Improvements	14,625,199	15,008,759	-	-	14,625,199	15,008,759
Equipment	10,863,570	7,848,437	26,676,004	25,833,169	37,539,574	33,681,606
Right-to-use equipment	833,135	638,396	-	-	833,135	638,396
Right-to-use subscriptions	1,087,874	1,628,755	339,536	507,372	1,427,410	2,136,127
Infrastructure	112,072,446	112,714,668	29,600,282	30,397,322	141,672,728	143,111,990
Total	\$ 212,036,040	\$ 209,875,249	\$ 131,614,586	\$ 121,977,922	\$ 343,650,626	\$ 331,853,171

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

Long-term debt. At the end of the current fiscal year, the City had total debt outstanding of \$114,247,420. Of this amount \$43,760,000 comprised debt backed by the full faith and credit of the City. The remainder of the debt includes \$67,820,000 in Special Obligation bonds, \$724,603 in lease payable, \$1,168,678 in subscription payable, and \$774,139 in finance purchases.

City of O'Fallon's Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
General Obligation bonds	\$ 43,760,000	\$ 46,520,000	\$ -	\$ -	\$ 43,760,000	\$ 46,520,000
Special Obligation bonds	9,520,000	10,515,000	58,300,000	48,625,000	67,820,000	59,140,000
Lease payable	724,603	610,609	-	-	724,603	610,609
Subscription payable	862,034	1,276,125	306,644	490,014	1,168,678	1,766,139
Finance purchases	-	-	774,139	918,699	774,139	918,699
Total	\$ 54,866,637	\$ 58,921,734	\$ 59,380,783	\$ 50,033,713	\$ 114,247,420	\$ 108,955,447

The City's total debt increased by \$5,291,973 (4.9%) during the current fiscal year.

State Statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total assessed valuation. The current debt limitation for the City is \$296,923,644, which is significantly in excess of the City's outstanding general obligation debt of \$43,760,000.

City of O’Fallon, Missouri

Management’s Discussion and Analysis

Fiscal Year Ended December 31, 2024

The City was assigned an ‘AA+’ long-term rating on O’Fallon, MO’s general obligation bonds from S&P Global Rating. This was raised from the previous rating of ‘AA’. S&P Global assigned a rating of ‘AA’ long-term to the City of O’Fallon, MO’s \$13.6 million series 2024 special obligation bonds.

Additional information on the City’s long-term debt can be found in Note 8 to the financial statements.

Economic Factors and Next Year’s Budgets

During the preparation of the budget for the ensuing fiscal year, the City took into consideration the continued residential and retail growth and current economic conditions. Following are the assumptions made in preparing the City’s budget for the 2025 fiscal year:

- Sales tax is budgeted at a 2% increase in 2025 as compared to the 2024 projection. Sales tax revenues came in strongly in 2024 with a 10% increase over the prior year and a 1.8% increase higher than projected. Current sales tax is coming in slightly lower than anticipated through February, but with the growth in new retail for 2025, it is expected that the revenues will meet budget projections.
- Property tax is expected to grow by about 1.2%. The City continues to see moderate growth in new construction which contributes to the growth in tax revenue. This remains true, even considering delays in some construction projects due to the imposition of higher import tariffs.

Requests for Information

This financial report is designed to provide a general overview of the City’s finances for all those with an interest in the City’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, City of O’Fallon, 100 North Main Street, O’Fallon, MO 63366 or by logging on to the City’s website at www.ofallon.mo.us.

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BASIC FINANCIAL STATEMENTS

City of O'Fallon, Missouri
Statement of Net Position
December 31, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$ 81,035,792	\$ 31,859,326	\$ 112,895,118
Receivables (net):			
Taxes	15,430,416	-	15,430,416
Services	-	4,377,099	4,377,099
Municipal court	455,927	-	455,927
Intergovernmental	1,782,797	-	1,782,797
Other	410,795	281,963	692,758
Leases	1,090,426	1,705,056	2,795,482
Interest	987	16,523	17,510
Prepaid assets	262,076	146,250	408,326
Inventories	14,136	-	14,136
Cash and investments - restricted	1,598,390	14,108,915	15,707,305
Internal balances	440,347	(440,347)	-
Capital assets:			
Land and construction in progress	32,942,410	21,609,730	54,552,140
Other capital and intangible capital assets, net of accumulated depreciation and amortization	179,093,630	110,004,856	289,098,486
Total Assets	314,558,129	183,669,371	498,227,500
Deferred Outflow of Resources			
Deferred outflows - pension related	9,103,476	1,326,774	10,430,250
Deferred outflows - OPEB related	3,166,525	161,186	3,327,711
Deferred amounts from refunding of debt	-	204,540	204,540
Deferred amounts from asset retirement obligations	-	197,067	197,067
Total Deferred Outflows of Resources	12,270,001	1,889,567	14,159,568
Liabilities			
Accounts payable and accrued wages	9,231,935	4,802,094	14,034,029
Accrued interest	570,181	272,267	842,448
Other accrued liabilities	152,450	-	152,450
Unearned revenues	1,964,957	2,406,579	4,371,536
Deposits and escrow funds	-	786,555	786,555
Long-term liabilities:			
Due within one year - insurance payable	633,905	53,047	686,952
Due within one year - total OPEB liability	313,966	30,863	344,829
Due within one year - long term debt	7,574,819	5,084,482	12,659,301
Due in more than one year - long term debt	51,822,904	56,905,819	108,728,723
Due in more than one year - insurance payable	2,348,476	577,236	2,925,712
Due in more than one year - net pension liability	5,722,878	1,076,938	6,799,816
Due in more than one year - total OPEB liability	6,289,112	1,413,195	7,702,307
Total Liabilities	86,625,583	73,409,075	160,034,658
Deferred Inflow of Resources			
Deferred inflow - leases	1,043,711	1,684,857	2,728,568
Deferred inflow - pension related	1,441,486	380,228	1,821,714
Deferred inflow - OPEB related	3,859,793	202,022	4,061,815
Deferred amounts from refunding of debt	-	29,331	29,331
Total Deferred Inflows of Resources	6,344,990	2,296,438	8,641,428
Net Position			
Net investment in capital assets	154,412,834	81,494,488	235,907,322
Restricted for:			
Federal Equitable Sharing	818,512	-	818,512
Opioid reserve	174,852	-	174,852
Police Grants	87,316	-	87,316
Street & Road Improvement	14,127,980	-	14,127,980
Water Line	639,893	-	639,893
Sewer Lateral	1,569,502	-	1,569,502
Public Safety	222,806	-	222,806
Parks, Recreation and Tourism	11,752,413	-	11,752,413
Debt Service	8,299,741	-	8,299,741
Storm Water	4,046,636	-	4,046,636
Use Tax for Public Safety and Transportation	4,989,074	-	4,989,074
Unrestricted	32,715,998	28,358,937	61,074,935
Total Net Position	\$ 233,857,557	\$ 109,853,425	\$ 343,710,982

* See the accompanying notes to the financial statements.

City of O'Fallon, Missouri
Statement of Activities
For The Year Ended December 31, 2024

Functions	Expenses	Program Revenues			Net Revenue (Expense) And Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General government	\$ 18,368,386	\$ 230,770	\$ 20,928	\$ 4,860,307	\$ (13,256,381)	\$ -	\$ (13,256,381)
Public safety	20,729,102	25,231	761,609	-	(19,942,262)	-	(19,942,262)
Highways and streets	19,857,287	-	5,055,441	6,990,838	(7,811,008)	-	(7,811,008)
Community development	4,440,030	3,284,043	449,912	-	(706,075)	-	(706,075)
Parks, recreation and tourism	11,180,764	1,794,393	30,551	2,149,457	(7,206,363)	-	(7,206,363)
Municipal court	613,726	1,353,100	141,293	-	880,667	-	880,667
Interest on long-term debt	1,552,440	-	-	-	(1,552,440)	-	(1,552,440)
Total Governmental Activities	76,741,735	6,687,537	6,459,734	14,000,602	(49,593,862)	-	(49,593,862)
Business-Type Activities							
Water	8,280,256	8,536,183	-	379,954	-	635,881	635,881
Sewer	10,110,469	12,926,186	-	1,178,795	-	3,994,512	3,994,512
Environmental services	5,293,852	6,035,792	-	514,763	-	1,256,703	1,256,703
Renaud Center	3,525,506	2,164,481	-	66	-	(1,360,959)	(1,360,959)
Public venue	325,996	123,441	-	1,455,647	-	1,253,092	1,253,092
Public training facility	13,752	1,000	-	897	-	(11,855)	(11,855)
Total Business-Type Activities	27,549,831	29,787,083	-	3,530,122	-	5,767,374	5,767,374
Total Government	\$ 104,291,566	\$ 36,474,620	\$ 6,459,734	\$ 17,530,724	(49,593,862)	5,767,374	(43,826,488)
General Revenues							
Property taxes levied for:							
General purposes					9,114,788	-	9,114,788
Water Line					347,739	-	347,739
Sewer Lateral					868,647	-	868,647
Debt service					4,296,450	-	4,296,450
Sales tax levied for:							
General purposes					18,364,850	-	18,364,850
Transportation purposes					8,363,516	-	8,363,516
Recreation					6,665,857	-	6,665,857
Storm Water					2,090,862	-	2,090,862
Use taxes					7,089,981	-	7,089,981
Franchise and public service taxes					7,904,432	-	7,904,432
Investment earnings					3,185,572	1,330,748	4,516,320
Gain on sale of capital assets					227,411	81,320	308,731
Other revenues					1,385,519	-	1,385,519
Transfers					(3,365,000)	3,365,000	-
Total General Revenues and Transfers					66,540,624	4,777,068	71,317,692
Changes in Net Position					16,946,762	10,544,442	27,491,204
Net Position - Beginning of Year					217,853,031	99,462,707	317,315,738
Restatement for GASB 101					(942,236)	(153,724)	(1,095,960)
Net Position - Beginning of Year As Restated					216,910,795	99,308,983	316,219,778
Net Position - End of Year					\$ 233,857,557	\$ 109,853,425	\$ 343,710,982

* See the accompanying notes to the financial statements.

City of O'Fallon, Missouri

**Balance Sheet
Governmental Funds
December 31, 2024**

	Major Funds							Nonmajor Funds		Total
	General	Street & Road Improvement	Recreation	Storm Water	Use Tax	Debt Service	Other Governmental Funds		Governmental Funds	
Assets										
Cash and investments:										
Restricted	\$ 1,598,390	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,598,390
Unrestricted	41,159,890	13,107,079	9,286,161	3,764,329	4,201,587	6,476,694	3,040,053			81,035,793
Inventories	14,136	-	-	-	-	-	-			14,136
Receivables:										
Property taxes	3,552,489	-	-	-	-	1,823,047	1,213,187			6,588,723
Other taxes	3,816,318	2,294,395	1,073,701	357,900	1,228,737	-	70,642			8,841,693
Municipal court	455,927	-	-	-	-	-	-			455,927
Intergovernmental	87,316	1,695,481	-	-	-	-	-			1,782,797
Leases	624,082	-	466,344	-	-	-	-			1,090,426
Interest	477	-	510	-	-	-	-			987
Other	312,681	-	52,524	-	-	-	45,590			410,795
Due from other funds	22,489	-	-	-	-	-	-			22,489
Advance to other funds	440,347	-	-	-	-	-	-			440,347
Prepaid assets	189,312	28,573	27,217	5,026	9,200	-	2,748			262,076
Total Assets	\$ 52,273,854	\$ 17,125,528	\$ 10,906,457	\$ 4,127,255	\$ 5,439,524	\$ 8,299,741	\$ 4,372,220			\$ 102,544,579
Liabilities										
Accounts payable	\$ 5,331,429	\$ 1,077,489	\$ 185,650	\$ 30,490	\$ 435,433	\$ -	\$ 60,858		\$ 7,121,349	
Accrued wages payable	1,603,406	251,915	183,928	37,727	17	-	33,593		2,110,586	
Municipal court appearance bonds payable	152,450	-	-	-	-	-	-		152,450	
Unearned revenue	142,159	1,668,144	127,252	12,402	15,000	-	-		1,964,957	
Due to other funds	-	-	-	-	-	-	22,489		22,489	
Total Liabilities	7,229,444	2,997,548	496,830	80,619	450,450	-	116,940		11,371,831	
Deferred Inflows of Resources										
Unavailable revenue:										
Property taxes	555,588	-	-	-	-	286,993	29,209		871,790	
Municipal court	455,927	-	-	-	-	-	-		455,927	
Leases	592,627	-	451,084	-	-	-	-		1,043,711	
Total Deferred Inflows Of Resources	1,604,142	-	451,084	-	-	286,993	29,209		2,371,428	
Fund Balances										
Nonspendable										
Inventories	14,136	-	-	-	-	-	-		14,136	
Prepaid assets	189,312	28,573	27,217	5,026	9,200	-	2,748		262,076	
Advance to other funds	440,347	-	-	-	-	-	-		440,347	
Restricted - externally imposed or law										
Debt Covenants - Bond cash accounts	-	-	-	-	-	6,476,694	-		6,476,694	
Federal Equitable Sharing	818,512	-	-	-	-	-	-		818,512	
Opioid reserve	174,852	-	-	-	-	-	-		174,852	
Police Grants	87,316	-	-	-	-	-	-		87,316	
Street & Road Improvement	-	14,099,407	-	-	-	-	-		14,099,407	
Water Line	-	-	-	-	-	-	639,200		639,200	
Sewer Lateral	-	-	-	-	-	-	1,567,447		1,567,447	
Public Safety	-	-	-	-	-	-	222,806		222,806	
Parks, Recreation and Tourism	-	-	9,931,326	-	-	-	1,793,870		11,725,196	
Debt Service	-	-	-	-	-	1,536,054	-		1,536,054	
Storm Water	-	-	-	4,041,610	-	-	-		4,041,610	
Use Tax for Public Safety and Transportation	-	-	-	-	4,979,874	-	-		4,979,874	
Committed - Council committed or contracts										
Purchase Orders (resolution)	846,765	-	-	-	-	-	-		846,765	
Council's reserve on FB for capital	129,798	-	-	-	-	-	-		129,798	
Council's reserve on FB for self-funded insurance	958,249	-	-	-	-	-	-		958,249	
Assigned - intent for specific purpose										
Purchase orders, less contracts by resolution	374,957	-	-	-	-	-	-		374,957	
Subsequent year's budget	6,723,631	-	-	-	-	-	-		6,723,631	
Unassigned	32,682,393	-	-	-	-	-	-		32,682,393	
Total Fund Balances	43,440,268	14,127,980	9,958,543	4,046,636	4,989,074	8,012,748	4,226,071		88,801,320	
Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	\$ 52,273,854	\$ 17,125,528	\$ 10,906,457	\$ 4,127,255	\$ 5,439,524	\$ 8,299,741	\$ 4,372,220		\$ 102,544,579	

* See the accompanying notes to the financial statements.

City of O'Fallon, Missouri
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
December 31, 2024

Total fund balance - governmental funds	\$	88,801,320
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Amounts reported for governmental activities in the statement of net position are different because:

Capital and intangible capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$397,077,923 and the accumulated depreciation and amortization is \$185,041,883.		212,036,040
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Property taxes assessed by the City and court receivables not collected as of year-end are deferred within the governmental fund financial statements. However, revenue for this amount is recognized in the government-wide statements.

Deferred inflow of resources from property taxes		871,790
Deferred inflow of resources from municipal court		455,927

Certain items are not a financial resource and, therefore are not reported in the governmental funds.

Total OPEB liability		(6,603,078)
Total deferred outflow for OPEB		3,166,525
Total deferred inflow for OPEB		(3,859,793)

Certain items are not a financial resource and, therefore are not reported in the governmental funds.

Net pension liability		(5,722,878)
Deferred outflows for pension payments after the measurement date		1,502,216
Deferred outflows for difference in investment income		2,590,252
Deferred outflows for assumption changes		7,205
Deferred outflows for difference in experience		5,003,803
Deferred inflows from difference in experience		(1,306,980)
Deferred inflows from assumption changes		(134,506)

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as liabilities within the governmental fund financial statements. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported on the government-wide statement of net position. Discounts and premiums are reported in the governmental fund financial statements when the debt was issued whereas these amounts are deferred and amortized over the life of the debt as an adjustment to interest expense on the government-wide financial statements.

Balances as of December 31, 2024 are:

Long-term payable for insurance		(2,982,381)
Compensated absences		(2,764,311)
Accrued interest on outstanding debts		(553,270)
Debt and notes payable		(53,280,000)
Unamortized debt premium		(1,766,775)
Lease payable		(724,603)
Accrued interest payable on lease liability		(10,110)
Subscription payable		(862,034)
Accrued interest payable on subscription liability		(6,801)

Total Net Position Of Governmental Activities	\$	233,857,557
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* See the accompanying notes to the financial statements.

City of O'Fallon, Missouri
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For The Year Ended December 31, 2024

	Major Funds						Nonmajor Funds		
	General	Street & Road Improvement	Recreation	Storm Water	Use Tax	Debt Service	Other Governmental Funds	Total Governmental Funds	
Revenues									
Taxes	\$ 34,772,212	\$ 8,363,516	\$ 6,665,857	\$ 2,090,862	\$ 7,089,981	\$ 4,381,443	\$ 1,969,607	\$ 65,333,478	
Intergovernmental	873,276	11,014,373	28,830	-	44,600	-	457,587	12,418,666	
Licenses and permits	3,117,409	-	-	-	-	-	-	3,117,409	
Charges for services	606,016	-	1,611,012	-	-	-	-	2,217,028	
Fines and forfeitures	1,185,776	-	-	-	-	-	27,704	1,213,480	
Investment earnings	1,532,154	543,411	337,612	151,044	265,307	191,291	148,316	3,169,135	
Interest on leases	10,043	-	6,394	-	-	-	-	16,437	
Miscellaneous	1,182,036	29,506	131,934	250	278	-	41,515	1,385,519	
Total Revenues	43,278,922	19,950,806	8,781,639	2,242,156	7,400,166	4,572,734	2,644,729	88,871,152	
Expenditures									
Current:									
General government	12,750,542	-	-	1,021,177	-	636	725,360	14,497,715	
Public safety	17,992,627	-	-	-	387,197	-	36,447	18,416,271	
Highways and streets	-	7,299,103	-	-	-	-	-	7,299,103	
Community development	3,733,341	-	-	-	-	-	449,912	4,183,253	
Parks, recreation and tourism	1,759,501	-	6,356,166	-	-	-	457,307	8,572,974	
Municipal court	608,931	-	-	-	-	-	-	608,931	
Capital outlay	2,679,658	11,079,235	975,517	403,034	7,580,646	-	234,732	22,952,822	
Debt service:									
Principal retirement	321,679	774,952	19,981	289,981	399,571	2,760,000	108,372	4,674,536	
Interest	23,687	247,422	1,448	113,655	2,600	1,571,633	938	1,961,383	
Total Expenditures	39,869,966	19,400,712	7,353,112	1,827,847	8,370,014	4,332,269	2,013,068	83,166,988	
Revenues Over (Under) Expenditures	3,408,956	550,094	1,428,527	414,309	(969,848)	240,465	631,661	5,704,164	
Other Financing Sources (Uses)									
Insurance recoveries	4,207,041	124,994	2,149,457	34,348	-	-	40,202	6,556,042	
Transfers in	-	36,944	-	35,000	-	-	-	71,944	
Transfers out	(71,944)	-	(900,000)	-	(2,165,000)	-	(300,000)	(3,436,944)	
Leases	-	-	-	-	619,439	-	-	619,439	
Sale of capital assets	30,640	117,636	41,618	72,376	-	-	82	262,352	
Total Other Financing Sources (Uses)	4,165,737	279,574	1,291,075	141,724	(1,545,561)	-	(259,716)	4,072,833	
Net Changes in Fund Balances	7,574,693	829,668	2,719,602	556,033	(2,515,409)	240,465	371,945	9,776,997	
Fund Balances									
Beginning of year	35,865,575	13,298,312	7,238,941	3,490,603	7,504,483	7,772,283	3,854,126	79,024,323	
End of Year	\$ 43,440,268	\$ 14,127,980	\$ 9,958,543	\$ 4,046,636	\$ 4,989,074	\$ 8,012,748	\$ 4,226,071	\$ 88,801,320	

* See the accompanying notes to the financial statements.

City of O'Fallon, Missouri
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of
Governmental Funds to the
Statement of Activities
For The Year Ended December 31, 2024

Net change in fund balances - total governmental funds	\$	9,776,997
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 for general and \$25,000 for infrastructure are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation or amortization expense. Donated assets are not recorded in the governmental funds but are recognized as revenue in the statement of activities. This is the amount by which capital outlays and donated capital assets exceeded depreciation and amortization in the current period.

Capital outlays	14,660,755	
Donated capital assets	1,485,628	
Depreciation and amortization expense	<u>(13,950,651)</u>	2,195,732

The net effect of various miscellaneous transactions involving capital assets (i.e., sales and trade-ins) is to decrease net position.		(34,941)
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items are as follows:

Issuance of lease	(619,439)	
Repayment of debt principal	3,755,000	
Repayment of lease payable	505,445	
Repayment of subscription payable	414,091	
Amortization expense	<u>361,038</u>	4,416,135

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The net effect of these differences are as follows:

Pension expense	492,772	
Accrued interest on bonds	52,942	
Accrued interest on leases	(8,305)	
Accrued interest on subscriptions	3,267	
Compensated absences	(239,625)	
OPEB expense	<u>(314,015)</u>	(12,964)

Long-term payable for insurance		692,537
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Property tax revenues and court receivable received prior to the year for which they are being levied are reported as deferred revenue in the governmental funds. They are, however, recorded as revenues in the statement of activities.		<u>(86,734)</u>
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Change in Net Position of Governmental Activities	\$	<u>16,946,762</u>
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* See the accompanying notes to the financial statements.

City of O'Fallon, Missouri
Statement of Net Position
Proprietary Funds
December 31, 2024

	Major Enterprise Funds						Total
	Water	Sewer	Environmental Services	Renaud Center	Public Venue	Public Training Facility	
Assets							
Current assets:							
Cash and cash equivalents:							
Restricted	\$ 14,108,915	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,108,915
Unrestricted	2,750,416	15,539,717	6,135,209	2,259,160	2,540,148	2,634,676	31,859,326
Receivables:							
Charges for services:							
Billed	835,166	1,655,960	715,618	-	-	-	3,206,744
Unbilled	422,503	559,454	188,398	-	-	-	1,170,355
Other	150,870	100,184	23,734	7,175	-	-	281,963
Interest	31	-	-	-	16,492	-	16,523
Prepaid assets	96,721	23,439	18,098	7,992	-	-	146,250
Total Current Assets	18,364,622	17,878,754	7,081,057	2,274,327	2,556,640	2,634,676	50,790,076
Noncurrent assets:							
Receivables: Leases	34,738	-	-	-	1,670,318	-	1,705,056
Capital assets	69,238,100	143,485,143	11,095,727	13,646,418	7,344,535	4,191,570	249,001,493
Less: Accumulated depreciation and amortization	34,038,466	64,540,400	5,548,430	7,065,030	6,194,581	-	117,386,907
Total Noncurrent Assets	35,234,372	78,944,743	5,547,297	6,581,388	2,820,272	4,191,570	133,319,642
Total Assets	53,598,994	96,823,497	12,628,354	8,855,715	5,376,912	6,826,246	184,109,718
Deferred Outflow of Resources							
Deferred outflows - pension related	382,486	401,112	421,672	109,197	12,307	-	1,326,774
Deferred outflows - OPEB related	40,921	56,028	56,067	2,409	5,761	-	161,186
Deferred amounts from refunding of debt	-	204,540	-	-	-	-	204,540
Deferred amounts from asset retirement obligations	197,067	-	-	-	-	-	197,067
Total Deferred Outflows of Resources	620,474	661,680	477,739	111,606	18,068	-	1,889,567
Liabilities							
Current liabilities:							
Accounts payable	925,327	2,915,973	494,746	150,708	8,198	307,142	4,802,094
Accrued interest	121,658	150,609	-	-	-	-	272,267
Deposits payable	448,415	188,410	149,730	-	-	-	786,555
Accrued compensated absences	154,230	101,554	154,112	10,819	-	-	420,715
Unearned revenue: connection charges	30,400	44,800	-	-	-	-	75,200
Unearned revenue: program revenue	-	-	-	81,379	-	-	81,379
Unearned revenue: facility contributions	-	-	-	-	-	2,250,000	2,250,000
Current portion of insurance payable	11,958	189	-	40,900	-	-	53,047
Current portion of total OPEB liability	7,345	7,345	13,207	1,483	1,483	-	30,863
Current portion of subscription payable	70,137	53,562	30,782	5,130	2,565	-	162,176
Current portion of asset retirement obligations	-	200,000	-	-	-	-	200,000
Current portion of special obligation payable	1,822,850	2,347,150	-	-	-	-	4,170,000
Current portion of finance purchase	-	-	-	131,591	-	-	131,591
Total Current Liabilities	3,592,320	6,009,592	842,577	422,010	12,246	2,557,142	13,435,887
Noncurrent liabilities:							
Advance from other funds	-	-	440,347	-	-	-	440,347
Insurance payable	14,691	18,371	-	544,174	-	-	577,236
Net pension liability	317,945	320,238	325,903	102,652	10,200	-	1,076,938
Total OPEB liability	450,476	314,723	487,418	136,889	23,689	-	1,413,195
Subscription payable	42,152	62,799	31,613	5,269	2,635	-	144,468
Asset retirement obligations	220,000	-	-	-	-	-	220,000
Special Obligation payable, less current maturities and bond discount	26,998,815	28,899,988	-	-	-	-	55,898,803
Finance purchase	-	-	-	642,548	-	-	642,548
Total Noncurrent Liabilities	28,044,079	29,616,119	1,285,281	1,431,532	36,524	-	60,413,535
Total Liabilities	31,636,399	35,625,711	2,127,858	1,853,542	48,770	2,557,142	73,849,422
Deferred Inflow of Resources							
Deferred inflows - leases	33,447	-	-	-	1,651,410	-	1,684,857
Deferred inflows - pension related	92,114	105,197	132,028	48,812	2,077	-	380,228
Deferred inflows - OPEB related	42,820	73,293	78,182	3,863	3,864	-	202,022
Deferred amounts from refunding of debt	24,969	4,362	-	-	-	-	29,331
Total Deferred Inflows of Resources	193,350	182,852	210,210	52,675	1,657,351	-	2,296,438
Net Position							
Net investment in capital assets	20,049,621	45,390,624	5,227,867	5,796,850	1,144,754	3,884,772	81,494,488
Unrestricted	2,340,098	16,285,990	5,540,158	1,264,254	2,544,105	384,332	28,358,937
Total Net Position	\$ 22,389,719	\$ 61,676,614	\$ 10,768,025	\$ 7,061,104	\$ 3,688,859	\$ 4,269,104	\$ 109,853,425

* See the accompanying notes to the financial statements.

City of O'Fallon, Missouri
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For The Year Ended December 31, 2024

	Major Enterprise Funds						Total
	Water	Sewer	Environmental Services	Renaud Center	Public Venue	Public Training Facility	
Operating Revenues							
Refuse and recycling service charges	\$ -	\$ -	\$ 6,031,301	\$ -	\$ -	\$ -	\$ 6,031,301
Recreation program sales	-	-	-	2,156,040	-	-	2,156,040
Water sales	8,294,090	-	-	-	-	-	8,294,090
Connection charges	80,000	178,818	-	-	-	-	258,818
Sewer service charges	-	12,624,164	-	-	-	-	12,624,164
Lease payments	148,967	110,767	-	-	110,094	-	369,828
Miscellaneous	13,126	12,437	4,491	8,441	13,347	1,000	52,842
Total Operating Revenues	8,536,183	12,926,186	6,035,792	2,164,481	123,441	1,000	29,787,083
Operating Expenses							
Contractual services	557,684	490,653	208,724	132,938	38,198	-	1,428,197
General government	3,114,313	3,255,238	2,625,950	2,537,451	123,711	13,752	11,670,415
Utilities	981,180	1,080,816	1,200,066	212,730	5,665	-	3,480,457
Repairs and maintenance	990,103	675,181	267,836	59,744	24,330	-	2,017,194
Small equipment	10,661	18,639	5,582	7,463	-	-	42,345
Depreciation and amortization	2,072,974	3,902,072	983,715	574,850	133,927	-	7,667,538
Miscellaneous	372	615	-	-	-	-	987
Total Operating Expenses	7,727,287	9,423,214	5,291,873	3,525,176	325,831	13,752	26,307,133
Operating Income (Loss)	808,896	3,502,972	743,919	(1,360,695)	(202,390)	(12,752)	3,479,950
Nonoperating Revenues (Expenses)							
Investment earnings	175,652	687,302	243,959	66,358	58,521	73,411	1,305,203
Interest on leases	320	-	-	-	25,225	-	25,545
Interest expense	(361,704)	(683,671)	-	-	-	-	(1,045,375)
Bond issuance costs	(187,556)	-	-	-	-	-	(187,556)
Interest on subscriptions	(3,709)	(3,584)	(1,979)	(330)	(165)	-	(9,767)
Insurance recoveries	378,303	754,958	508,942	-	1,455,647	-	3,097,850
Gain (loss) on capital asset disposal	49,243	1,383	24,409	235	6,050	-	81,320
Total Nonoperating Revenues (Expenses)	50,549	756,388	775,331	66,263	1,545,278	73,411	3,267,220
Income (Loss) Before Transfers and Contributions	859,445	4,259,360	1,519,250	(1,294,432)	1,342,888	60,659	6,747,170
Transfers in	-	-	-	900,000	300,000	2,165,000	3,365,000
Capital contributions	1,651	423,837	5,821	66	-	897	432,272
Change in Net Position	861,096	4,683,197	1,525,071	(394,366)	1,642,888	2,226,556	10,544,442
Net Position - Beginning of Year	21,589,407	57,025,368	9,299,700	7,459,713	2,045,971	2,042,548	99,462,707
Restatement for GASB 101	(60,784)	(31,951)	(56,746)	(4,243)	-	-	(153,724)
Net Position - Beginning of Year as Restated	21,528,623	56,993,417	9,242,954	7,455,470	2,045,971	2,042,548	99,308,983
Net Position - End of Year	\$ 22,389,719	\$ 61,676,614	\$ 10,768,025	\$ 7,061,104	\$ 3,688,859	\$ 4,269,104	\$ 109,853,425

* See the accompanying notes to the financial statements.

City of O'Fallon, Missouri
Statement of Cash Flows
Proprietary Funds
For The Year Ended December 31, 2024

	Major Enterprise Funds							
	Water	Sewer	Environmental Services	Renaud Center	Public Venue	Public Training Facility	Total	
Cash Flows From Operating Activities:								
Receipts from customers	\$ 8,273,358	\$ 12,768,374	\$ 6,018,986	\$ 2,151,748	\$ 125,000	\$ -	\$ 29,337,466	
Payment to suppliers	(2,782,963)	(3,753,321)	(1,934,080)	(507,970)	(116,252)	(13,409)	(9,107,995)	
Payment to employees	(2,762,462)	(2,417,601)	(2,451,693)	(2,158,069)	(80,891)	-	(9,870,716)	
Other receipts	13,126	12,437	4,491	8,441	13,347	1,000	52,842	
Net Cash Provided By (Used In) Operating Activities	2,741,059	6,609,889	1,637,704	(505,850)	(58,796)	(12,409)	10,411,597	
Cash Flows From Noncapital Financing Activities:								
Advance from other funds	-	-	(114,570)	-	-	-	(114,570)	
Transfers in	-	-	-	900,000	300,000	2,165,000	3,365,000	
Net Cash Provided By (Used In) Noncapital Financing Activities	-	-	(114,570)	900,000	300,000	2,165,000	3,250,430	
Cash Flows From Capital And Related Financing Activities:								
Proceeds from debt issuance	14,181,132	-	-	-	-	-	14,181,132	
Principal paid on debt	(1,483,682)	(2,352,223)	(29,972)	(149,555)	(2,498)	-	(4,017,930)	
Interest paid on debt	(401,388)	(932,954)	(1,979)	(330)	(165)	-	(1,336,816)	
Bond issuance costs	(187,556)	-	-	-	-	-	(187,556)	
Capital contributions	1,651	3,175	5,821	66	-	897	11,610	
Insurance recoveries	378,303	754,957	508,942	-	1,455,647	-	3,097,849	
Proceeds from sale of capital assets	61,358	1,382	24,408	235	6,050	-	93,433	
Acquisition and construction of capital assets	(4,774,220)	(5,847,506)	(1,657,413)	(253,037)	-	(2,582,516)	(15,114,692)	
Net Cash Provided By (Used In) Capital and Related Financing Activities	7,775,598	(8,373,169)	(1,150,193)	(402,621)	1,459,034	(2,581,619)	(3,272,970)	
Cash Flows Provided By (Used In) Investing Activities:								
Investment earnings	175,652	687,302	243,959	66,358	58,521	73,411	1,305,203	
Net Increase (Decrease) in Cash and Cash Equivalents	10,692,309	(1,075,978)	616,900	57,887	1,758,759	(355,617)	11,694,260	
Cash and Cash Equivalents - Beginning of Year	6,167,022	16,615,695	5,518,309	2,201,273	781,389	2,990,293	34,273,981	
Cash and Cash Equivalents - End of Year	\$ 16,859,331	\$ 15,539,717	\$ 6,135,209	\$ 2,259,160	\$ 2,540,148	\$ 2,634,676	\$ 45,968,241	
Reconciliation of Operating Income (Loss) To Net Cash Provided By (Used In) Operating Activities								
Operating income (loss)	\$ 808,896	\$ 3,502,972	\$ 743,919	\$ (1,360,695)	\$ (202,390)	\$ (12,752)	\$ 3,479,950	
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:								
Depreciation and amortization expense	2,072,974	3,902,072	983,715	574,850	133,927	-	7,667,538	
Change in assets and liabilities:								
(Increase) decrease in services receivable	(145,276)	(139,366)	(12,943)	-	-	-	(297,585)	
(Increase) decrease in miscellaneous receivables	(65,191)	(26)	(530)	(6,299)	-	-	(72,046)	
(Increase) decrease in prepaid assets	(33,630)	2,351	5,207	1,332	118	-	(24,622)	
Increase (decrease) in accounts payable	166,002	(609,087)	(24,486)	300,347	(1,421)	343	(168,302)	
Increase (decrease) in customer deposits	(34,375)	(9,465)	(1,330)	-	-	-	(45,170)	
Increase (decrease) in unearned revenue	-	-	-	5,337	-	-	5,337	
Increase (decrease) in accrued compensated absences	26,731	17,681	(2,406)	(1,469)	-	-	40,537	
Increase (decrease) in subscription accounting	-	-	-	-	-	-	-	
Increase (decrease) in lease revenue accounting	50	-	-	-	14,906	-	14,956	
Increase (decrease) in pension and OPEB	(55,122)	(57,243)	(53,442)	(19,253)	(3,936)	-	(188,996)	
Total Adjustments	1,932,163	3,106,917	893,785	854,845	143,594	343	6,931,647	
Net Cash Provided By (Used In) Operating Activities	\$ 2,741,059	\$ 6,609,889	\$ 1,637,704	\$ (505,850)	\$ (58,796)	\$ (12,409)	\$ 10,411,597	
Noncash Investing, Capital, and Financing Activities:								
The Sewer Fund received \$420,662 in contributed sewer lines from developers.								
Noncash investing, capital and financial activities:								
Change in capital asset acquisitions through accounts payable	\$ 718,695	\$ (2,187,548)	\$ (103,422)	\$ 20,431	-	\$ (230,304)	\$ (1,782,148)	
Reconciliation of cash and cash equivalents:								
Restricted	14,108,915	-	-	-	-	-	14,108,915	
Unrestricted	2,750,416	15,539,717	6,135,209	2,259,160	2,540,148	2,634,676	31,859,326	
	16,859,331	15,539,717	6,135,209	2,259,160	2,540,148	2,634,676	45,968,241	

* See the accompanying notes to the financial statements.

City of O'Fallon, Missouri
Statement of Fiduciary Net Position
Custodial Funds
December 31, 2024

	<u>Custodial Funds</u>
Assets	
Cash	\$ 35,365
Total Assets	\$ 35,365
Liabilities	
Municipal court appearance bonds payable	\$ 22,692
Total Liabilities	\$ 22,692
Net Position	
Restricted for:	
Lake St Louis Municipal Court	\$ 525
Weldon Springs Municipal Court	134
Waterbury Storm CID	12,014
Total Net Position	\$ 12,673

* See the accompanying notes to the financial statements.

City of O'Fallon, Missouri
Statement of Changes in Fiduciary Net Position
Custodial Funds
For The Year Ended December 31, 2024

	<u>Custodial Funds</u>
Additions	
Sales tax collections for Waterbury Storm CID	\$ 2,545
Fines and forfeitures	307,607
Interest revenue	990
Total Additions	311,142
Deductions	
Contractual services	309,037
Administrative expenses	39,381
Total Deductions	348,418
Net decrease in fiduciary net position	(37,276)
Net position - beginning	49,949
Net position - ending	\$ 12,673

* See the accompanying notes to the financial statements.

City of O'Fallon, Missouri

Notes to Basic Financial Statements

December 31, 2024

1. Summary of Significant Accounting Policies

The City of O'Fallon, Missouri (the City) was incorporated September 12, 1912. The City operates under a Mayor/City Council/City Administrator form of government as outlined by the City Charter and provides the following services as authorized by its bylaws: public safety (police), highways and streets, parks recreation and tourism, public improvements, water and sanitary sewer, community development, and general administrative services.

The basic financial statements of the City have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) 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 more significant of the City's accounting policies are described below:

Reporting Entity

The financial statements of the City include the financial activities of the City and any component units, entities which are financially accountable to the City. The City does not currently have any component units.

Joint Venture

On September 12, 2024, the City Council approved an intergovernmental partnership agreement between the City of O'Fallon and the City of St. Charles to form a joint venture for the purposes of the design, construction, operation, use, management and maintenance of a law enforcement training center (Training Center). The Training Center will be located on approximately 72 acres in O'Fallon and will include a state-of-the-art firearms shooting range, an emergency vehicle operations course (EVOC), a simunition house, a physical and endurance training course, and an enclosed building with classrooms and ancillary training spaces.

Under this agreement, O'Fallon will issue a debt instrument in an amount not to exceed \$28 million and will use the proceeds to finance the Training Center expenses in excess of the \$4,500,000 joint contribution equally paid by the parties. St. Charles City will make payment to O'Fallon in the amount of fifty percent (50%) of the current annual payment on the debt financing paid by O'Fallon, less any Training Center revenues applied to debt repayment pursuant to the agreement. In addition, the City of St. Charles will pay \$912,330 to the City of O'Fallon which represents one half ($\frac{1}{2}$) of the value of the approximately 72 acres of the Training Center Site owned by O'Fallon and the property will be deeded to both parties. At December 31, 2024, the Training Facility is still under design and O'Fallon has not issued any debt.

City of O'Fallon, Missouri

Notes to Basic Financial Statements

December 31, 2024

The net profits or net losses of the partnership are to be allocated equally between the parties. Revenues will first be applied to the operations and maintenance of the Training Center, then to maintain a reserve fund at least equal to one year of Training Center operating expenses with a maximum of two years, and then to reduce the remaining principal of the debt issued by O'Fallon. Once the debt is retired, reserve funds in excess of the maximum reserve amount at the end of the fiscal year will be equally distributed to the parties.

Financial accountability for the Training Center is vested in an eight (8) member Board. The City of O'Fallon and the City of St. Charles will have equal representation on the Board with each entity appointing four (4) members. The Board is headed by a Chairman which alternates between the two entities annually. The Board is a separate legal entity and is charged with overseeing all aspects of the design, construction, equipping, administration, management, budgeting, hiring, operations and use of the Training Center.

Per the agreement, the City of St. Charles is responsible for maintaining the financial records which includes the preparation of the financial statements of the Training Center. As of the fiscal year ended December 31, 2024, the Training Center had no financial activity and did not engage in any transactions involving revenues, expenditures, capital assets, or liabilities. Accordingly, no financial statements are presented for the Training Center for the year ended December 31, 2024.

Related Organizations

The City's officials are responsible for appointing members to the boards of other organizations, but the City's accountability for these organizations does not extend beyond making such appointments. The Mayor or City Council appoints a majority of the governing members of the South Ridge Community Improvement District (CID), O'Fallon Retail Walk CID, and Streets of Caledonia CID. These related organizations do not meet the criteria for inclusion as component units as there is no financial benefit or burden relationship and the City cannot impose its will on these organizations; therefore, they are not included as component units within the City's financial reporting entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. The effect of interfund transfers is eliminated except for transfers between governmental and proprietary funds. However, interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other

City of O'Fallon, Missouri

Notes to Basic Financial Statements

December 31, 2024

nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Taxes, unrestricted interest earnings, and other items not properly included among program revenues are reported instead as general revenues.

Following the government-wide financial statements are separate financial statements for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are reported in one column labeled "Other Governmental Funds." The total fund balances for all governmental funds is reconciled to total net position for governmental activities as shown on the statement of net position.

The net change in fund balance for all governmental funds is reconciled to the total change in net position as shown on the statement of activities in the government-wide financial statements.

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 (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position, rather than upon net income. The following are the City's major governmental funds:

General

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

Street & Road Improvement

The Street & Road Improvement Fund is used to account for transportation sales tax revenues and other financing sources restricted and or intended for the maintenance and construction of streets, roads, and bridges. This fund was formerly known as the Transportation Sales Tax Fund.

City of O'Fallon, Missouri

Notes to Basic Financial Statements

December 31, 2024

Recreation

The Recreation Fund is used to account for the parks portion of the parks/storm water sales tax and charges for services offered by the City. This fund was created in October 2008 when the new Parks Storm Water sales tax began. The City has chosen to voluntarily classify this fund as a major fund.

Storm Water

The Storm Water Fund is used to account for the storm water portion of the parks/storm water sales tax restricted for the use of storm water projects managed by the City. This fund was created in October 2008 when the new Parks Storm Water sales tax began. The City has chosen to voluntarily classify this fund as a major fund.

Use Tax

The Use Tax Fund is used to account for the use tax that began in 2020. Police and Streets expenditures will be paid from this fund.

Debt Service

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The City has chosen to voluntarily classify this fund as a major fund.

The other governmental funds of the City are considered nonmajor. They are Special Revenue Funds which account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Proprietary funds are used to account for activities that are similar to those found in the private sector. The measurement focus is on the determination of net income and capital maintenance. Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City has six Enterprise Funds which are all considered major funds as follows:

Water

The Water Fund is used to account for the activity of the City's water operations.

Sewer

The Sewer Fund is used to account for the activity of the City's sewer operations.

City of O'Fallon, Missouri

Notes to Basic Financial Statements

December 31, 2024

Environmental Services

The Environmental Services Fund is used to account for the activity of the City's waste management operations.

Renaud Center

The Renaud Center Fund is used to account for the activity of the Renaud Center Recreation Center. The City has voluntarily designated this fund as a major fund.

Public Venue

The Public Venue Fund is used to account for the activity of the City's stadium operations. The City has voluntarily designated this fund as a major fund.

Public Training Facility

The Public Training Facility Fund is used to account for the activity of the City's shooting range construction and operations. The City has voluntarily designated this fund as a major fund.

Additionally, the City reports the following fund type:

Custodial Fund

The Custodial Fund is used to account for the resources held under a custodial agreement. This is a fiduciary fund type which is used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. The City has three Custodial Funds: Lake St Louis Municipal Court, Weldon Spring Municipal Court and Waterbury Storm CID.

Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current financial resources generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund

City of O'Fallon, Missouri
Notes to Basic Financial Statements
December 31, 2024

balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are reported. Governmental funds financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

All custodial fiduciary funds have the same economic resources measurement focus and accrual basis of accounting as do propriety funds.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available. The term "available" is defined as collectible within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. For the City, available means expected to be received within 60 days of fiscal year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Expenditures for principal and interest on long-term debt are not recognized until due.

Nonexchange transactions are grouped into the following four classes, based upon their principal characteristics: derived tax revenues, imposed non-exchange revenues, government mandated nonexchange transactions, and voluntary nonexchange transactions.

The City recognizes assets from derived tax revenue transactions (such as sales and utilities gross receipts taxes) in the period when the underlying exchange transaction on which the tax is imposed occurs or when the assets are received, whichever occurs first. Revenues are recognized, net of estimated refunds and estimated uncollectible amounts, in the same period that the assets are recognized, provided that the underlying exchange transaction has occurred. Resources received in advance are reported as unavailable revenues until the period of the exchange.

The City recognizes assets from imposed nonexchange revenue transactions (such as real estate and personal property transactions) in the period when an enforceable legal claim to the assets arises or when the resources are received, whichever occurs first. Revenues are recognized in the period when the resources are required to be used or the first period that use is permitted. The City recognizes revenues from property taxes, net of estimated refunds and estimated uncollectible amounts, in the period for which the taxes are levied. Imposed nonexchange revenues also include permits, court fines, and forfeitures.

Intergovernmental revenues, representing grants and assistance received from other governmental units, are generally recognized as revenues in the period when

City of O'Fallon, Missouri

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all eligibility requirements have been met. Any resources received before eligibility requirements are met are reported as deferred revenues.

Charges for services in the governmental funds, which are exchange transactions, are recognized as revenues when received in cash because they are generally not measurable until actually received.

Proprietary funds distinguish operating revenues and expenses from non-operating 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.

Receivables & Allowances

Receivables by fund are listed below.

	Receivables	Unapplied Credits	Total
Major Governmental Funds			
General Fund	\$ 8,849,290	\$ -	\$ 8,849,290
Street & Road Improv	3,989,876	-	3,989,876
Recreation	1,664,612	(71,533)	1,593,079
Storm Water	357,900	-	357,900
Use Tax	1,228,737	-	1,228,737
Debt Service	1,823,047	-	1,823,047
Nonmajor Governmental Funds			
Police Training	1,121	-	1,121
Water Line	346,908	-	346,908
Sewer Lateral	866,279	-	866,279
Transient Guest Tax	70,642	-	70,642
CDBG	43,349	-	43,349
Inmate Security	1,120	-	1,120
Total Governmental Activities	19,242,881	(71,533)	19,171,348
Major Enterprise Funds			
Water	1,490,982	(47,674)	1,443,308
Sewer	2,410,947	(95,349)	2,315,598
Environmental Services	968,090	(40,340)	927,750
Renaud Center	17,366	(10,191)	7,175
Public Venue	1,686,810	-	1,686,810
Total Business-Type Activities	6,574,195	(193,554)	6,380,641
Totals	\$ 25,817,076	\$ (265,087)	\$ 25,551,989

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Prepaid Assets

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid assets in both the government-wide and fund financial statements. The cost of prepaid assets is recorded as expenditures/expenses when consumed rather than when purchased.

Inventories

Inventories are valued at cost, which approximate market, using the first-in, first-out (FIFO) method. The cost of governmental fund-type inventories is recorded as an expenditure when consumed rather than when purchased.

Capital and Intangible Assets

Capital assets, which include land, construction in progress, building, improvements, equipment, and certain infrastructure assets (e.g., roads, bridges, storm sewers, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of \$5,000 or more for general capital assets and \$25,000 or more for infrastructure, and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

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

Buildings	30 – 45 years
Improvements	10 – 45 years
Infrastructure	30 years
Equipment	3 – 10 years

Intangible assets represent the City's right-to-use a leased asset. These intangible assets, as defined by GASB Statement No. 87, *Leases*, are for lease contracts and nonfinancial building and equipment assets.

Intangible assets also represent the City's subscription software assets. These intangible assets, as defined by GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, are for software equipment assets.

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Long-Term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported adjusted by the applicable bond premium or discount.

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

Debt Refunding

For current and advance refundings resulting in defeasance of debt reported by government-wide and business-type activities, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense over the remaining life of the old debt or new debt, whichever is shorter, using the straight-line method since the results of the straight-line method are not materially different from the use of the effective interest method.

Compensated Absences

City employees earn vacation during the current year which must be taken in the subsequent year. Accrued vacation time is recognized as a liability when earned and any unused accumulated vacation is payable to employees upon termination. Accrued vacation, compensatory time earned and a portion of sick time that is estimated to be used, plus payroll taxes, is recorded in the government-wide and proprietary fund financial statements. GASB 101 was adopted during the fiscal year and the beginning balance of compensated absences as been restated accordingly. More information can be found in Notes 8 and 14.

Capital Contributions

Capital contributions in the Enterprise Funds represent government grants, contributions, and other aid to fund capital projects. Capital contributions are recognized as revenue when the expenditure is made and amounts become subject to claim for reimbursement.

City of O'Fallon, Missouri

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Interfund Activity

Transfers of resources from a fund receiving revenue to the fund through which the resources are to be expensed are recorded as other financing sources (uses) in the governmental funds financial statements.

In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Net Position

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

Net investment in capital assets – This consists of capital assets, net of accumulated depreciation and amortization, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted – This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted – This consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

City of O'Fallon, Missouri

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Governmental Fund Balance

The City has enacted the following policy in an effort to ensure financial security through the maintenance of a healthy reserve fund that guides the creation, maintenance, and use of resources for financial stabilization purposes. The City's primary objective is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees due to temporary revenue shortfalls or unpredicted one-time expenditures. The City also seeks to maintain the highest possible credit ratings which are dependent, in part, on the City's maintenance of a healthy fund balance.

DEFINITIONS

Fund balance -- The excess of assets and deferred outflows of resources over liabilities and deferred inflows of resources in a governmental fund.

1. **Nonspendable fund balance** -- Amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund).
2. **Restricted fund balance** -- Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation.
3. **Committed fund balance** -- Amounts constrained to specific purposes by a government itself using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint. The City Council passes a resolution to commit amounts and to remove or change the constraint.
4. **Assigned fund balance** -- Amounts a government intends to use for a specific purpose; intent can be expressed by an official or body to which the governing body delegates the authority. The Finance Director authorizes purchase orders that encumber funds.
5. **Unassigned fund balance** -- Amounts that are available for any purpose; these positive amounts are reported only in the General Fund. Deficits in other governmental funds are also reported as unassigned.

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

The target is to maintain an unrestricted fund balance of not less than 40% of annual operating expenditures for the fiscal year.

City of O'Fallon, Missouri

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The City's basic goal is to maintain annual expenditure increases at a growth rate, and to limit expenditures to anticipated revenue in order to maintain a balanced budget. The decision to retain an unrestricted fund balance of not less than 40% of operating expenditures stems from the following:

- This amount provides adequate funding to cover approximately four (4) to five (5) months of operating expenses.
- This amount provides the liquidity necessary to accommodate the City's uneven cash flow, which is inherent in its periodic tax collection schedule.
- This amount provides the liquidity to respond to contingent liabilities.
- This amount provides for continued creditworthiness which is important for maintaining the City's credit rating.
- This amount provides for protection against exposure risks of significant one-time capital outlay such as a disaster or immediate capital needs.

Unassigned fund balance shall be any remaining amounts.

The City will spend the most restricted dollars before less restricted in the following order:

- a. Nonspendable (if funds become spendable)
- b. Restricted
- c. Committed
- d. Assigned
- e. Unassigned

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental types. Encumbrances outstanding at year-end amounted to \$1,221,722, \$5,789,780, \$1,553,178, \$403,950, \$891,401, \$47,577, \$188,434, \$176,360, and \$3,258 for the General, Street and Road Improvement, Recreation, Storm Water, Use Tax, Water Line, Sewer Lateral, Transient Guest Tax and CDBG funds, respectively.

Statement of Cash Flows

The proprietary funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

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Estimates and Assumptions

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

Pensions

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

2. Cash and Investments

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City's bank deposits are required by state law to be secured by the deposit of certain securities specified at RSMo 30.270 with the City or trustee institution. The value of the securities must amount to the total of the City's cash not insured by the Federal Deposit Insurance Corporation or by letter of credit.

As of December 31, 2024, the City's bank balances were entirely secured or collateralized with securities held by the City or by its agent in the City's name.

As of December 31, 2024, the City had the following investments:

Investments	Fair Value	Maturities					Credit Risk
		No Maturity	Less Than One Year	1 - 5 Years	6 - 10 Years	More Than Ten Years	
Certificates of deposit	\$ 17,416,605	\$ -	\$ 17,416,605	\$ -	\$ -	\$ -	not rated
Total Investments	\$ 17,416,605	\$ -	\$ 17,416,605	\$ -	\$ -	\$ -	

The City's formal investment policies are as follows:

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City minimized credit risk by diversifying the portfolio to reduce potential losses on individual securities. The City's investment policy,

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excluding certain retirement and debt funds, restricts the maximum percentage of the total portfolio and maximum length of maturity to minimize risk. Authority to manage the investment program is granted to the Director of Finance. At the discretion of the Director, designated members of the Finance Department staff may assist with various investment activities.

	<i>Maximum % of Total Portfolio</i>
U.S. Treasuries and securities having principal and/or interest guaranteed by the U.S. government	100%
Collateralized time and demand deposits	100%
U.S. Government agencies and government sponsored enterprises	no more than 70%
Collateralization repurchase agreements	no more than 50%
U.S Government agency callable securities	no more than 50%

State statutes authorize the City to invest in obligations of the U.S. Treasury, federal agencies, commercial paper, corporate bonds and repurchase agreements.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City minimizes interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and investing primarily in shorter term securities. Furthermore, the City cannot make investments for the purpose of trading or speculation, such as anticipating an appreciation of capital value through changes in market interest rates, per the City's investment policy.

Custodial Credit Risk is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. To limit its exposure, the City's investment policy requires all security transactions that are exposed to custodian credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investment held by a third-party custodian as evidenced by safekeeping receipts. The securities underlying the repurchase agreements are subject to custodian risk as the securities are held by the counterparty in the City's name.

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Concentration of Credit Risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City minimizes concentration of credit risk by diversifying the investment portfolio, per the City's investment policy.

Concentration of credit risk is required to be disclosed by the City for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investment in mutual funds, investment in external investment pools and investment in other pooled investments.) At December 31, 2024, the City had the following concentrations of credit risk required to be disclosed:

	Fair Value	Percentage of Total Investments
Certificates of deposit	\$ 17,416,605	100.00%

The City measures and records its investments, other than maturities less than one year from the purchase date, using fair value measurement guidelines established by accounting principles generally used in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The inputs and methodologies used for valuing investment securities are not necessarily an indication of risk associated with investing in those securities. Investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Investments classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. At December 31, 2024 the City's investments were not subject to fair value level classifications. Certificates of Deposit of \$17,416,605 is not required to be disclosed within the fair value hierarchy.

3. Property Tax

The City's property tax is levied annually in August based on the assessed valuation of property located in the City as of the previous January 1. Assessed valuations are established by the St. Charles County Assessor. The City tax rate was levied at \$.4400 per \$100 of assessed valuation of which \$.2909 was for general revenue purposes and \$.1491 for the payment of principal and interest on general obligation bonds. Taxes are billed November 1, are due and collectible on or before December 31, and are delinquent and represent a lien on said property on January 1 of the following year. Taxes are billed, collected, and remitted to the City by the St. Charles County Collector.

City of O'Fallon, Missouri

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4. Capital Assets

Capital asset activity for the year ended December 31, 2024:

	Balance January 1, 2024	Reclassify	Increases	Decreases	Balance December 31, 2024
Governmental Activities					
Capital assets not depreciated:					
Land	\$ 22,198,961	\$ -	\$ 533,610	\$ -	\$ 22,732,571
Construction in progress	8,418,320	(5,113,996)	6,905,515	-	10,209,839
Total Capital Assets Not Being Depreciated	30,617,281	(5,113,996)	7,439,125	-	32,942,410
Capital Assets/Right-to-use assets, Being depreciated/amortized:					
Buildings	58,705,104	-	-	-	58,705,104
Improvements	27,292,021	483,835	646,458	47	28,422,267
Equipment	27,079,195	(74,507)	5,877,611	1,123,970	31,758,329
Right-to-use equipment	1,244,356	-	681,291	-	1,925,647
Right-to-use subscriptions	2,169,635	-	-	-	2,169,635
Infrastructure	234,947,965	4,704,668	1,501,898	-	241,154,531
Total Capital Assets/Right-to-use Assets, being Depreciated/ Amortized	351,438,276	5,113,996	8,707,258	1,124,017	364,135,513
Accumulated depreciation/amortization:					
Buildings	17,286,151	-	1,807,548	-	19,093,699
Improvements	12,283,262	1,863	1,511,943	-	13,797,068
Equipment	19,230,758	(1,863)	2,754,939	1,089,076	20,894,758
Right-to-use equipment	605,960	-	486,552	-	1,092,512
Right-to-use subscriptions	540,880	-	540,881	-	1,081,761
Infrastructure	122,233,297	-	6,848,788	-	129,082,085
Total Accumulated Depreciation/amortization	172,180,308	-	13,950,651	1,089,076	185,041,883
Total Capital Assets/Right-to-use Assets, being Depreciated/ Amortized, Net	179,257,968	5,113,996	(5,243,393)	34,941	179,093,630
Governmental Activities					
Capital Assets/Right-to-use Assets, Net	\$ 209,875,249	-	\$ 2,195,732	\$ 34,941	\$ 212,036,040

\$5,113,996 of completed Construction In Progress assets moved to Improvements and Infrastructure.

\$74,507 of Equipment reclassified as Improvements.

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	Balance January 1, 2024	Reclassify	Increases	Decreases	Balance December 31, 2024
Business-Type Activities					
Capital assets, not being depreciated:					
Land:					
Water	\$ 797,500	\$ -	\$ -	\$ -	\$ 797,500
Sewer	521,260	-	-	-	521,260
Environmental services	345,714	-	-	-	345,714
Police training facility	1,302,256	-	-	-	1,302,256
Total Land	2,966,730	-	-	-	2,966,730
Construction in progress:					
Water	4,820,565	(367,822)	3,507,477	-	7,960,220
Sewer	2,327,801	(677,190)	6,142,855	-	7,793,466
Police training facility	76,494	-	2,812,820	-	2,889,314
Total Construction in Progress	7,224,860	(1,045,012)	12,463,152	-	18,643,000
Total Capital Assets Not Being Depreciated	10,191,590	(1,045,012)	12,463,152	-	21,609,730
Capital Assets/Right-to-use assets, Being depreciated/amortized:					
Buildings:					
Water	13,914,281	-	-	-	13,914,281
Sewer	64,112,418	-	10,050	-	64,122,468
Environmental services	2,569,588	-	-	-	2,569,588
Renaud Center	10,480,147	-	-	-	10,480,147
Public venue	5,528,886	-	-	-	5,528,886
Total Buildings	96,605,320	-	10,050	-	96,615,370
Equipment:					
Water	18,792,430	367,822	548,048	134,369	19,573,931
Sewer	33,015,183	677,190	1,273,248	23,213	34,942,408
Environmental services	7,384,078	-	1,760,836	1,086,852	8,058,062
Renaud Center	3,021,967	-	232,606	108,695	3,145,878
Public venue	1,827,751	-	-	22,299	1,805,452
Total Equipment	64,041,409	1,045,012	3,814,738	1,375,428	67,525,731
Right-to-use subscriptions:					
Water	247,000	-	-	-	247,000
Sewer	274,803	-	-	-	274,803
Environmental services	122,363	-	-	-	122,363
Renaud Center	20,393	-	-	-	20,393
Public venue	10,197	-	-	-	10,197
Total Right-to-use subscriptions	674,756	-	-	-	674,756
Infrastructure:					
Water	26,745,168	-	-	-	26,745,168
Sewer	34,801,176	-	1,029,562	-	35,830,738
Total Infrastructure	61,546,344	-	1,029,562	-	62,575,906
Total Capital Assets/Right-to-use assets, Being depreciated/amortized	222,867,829	1,045,012	4,854,350	1,375,428	227,391,763
Less: Accumulated depreciation/amortization for:					
Buildings:					
Water	9,111,473	-	449,952	-	9,561,425
Sewer	21,224,220	-	862,134	-	22,086,354
Environmental services	862,363	-	76,582	-	938,945
Renaud Center	5,036,814	-	262,925	-	5,299,739
Public venue	5,321,981	-	17,892	-	5,339,873
Total Buildings	41,556,851	-	1,669,485	-	43,226,336
Equipment:					
Water	13,770,745	-	703,113	122,256	14,351,602
Sewer	17,370,313	-	1,997,915	23,213	19,345,015
Environmental services	4,751,775	-	876,541	1,079,931	4,548,385
Renaud Center	1,556,977	-	306,827	108,696	1,755,108
Public Venue	758,430	-	113,486	22,299	849,617
Total Equipment	38,208,240	-	3,997,882	1,356,395	40,849,727
Right-to-use subscriptions:					
Water	65,283	-	65,460	-	130,743
Sewer	63,965	-	64,138	-	128,103
Environmental services	30,509	-	30,591	-	61,100
Renaud Center	5,085	-	5,098	-	10,183
Public venue	2,542	-	2,549	-	5,091
Total Right-to-use subscriptions	167,384	-	167,836	-	335,220
Infrastructure:					
Water	9,145,979	-	848,717	-	9,994,696
Sewer	22,003,043	-	977,885	-	22,980,928
Total Infrastructure	31,149,022	-	1,826,602	-	32,975,624
Total Accumulated Depreciation/amortization	111,081,497	-	7,661,805	1,356,395	117,386,907
Total Capital Assets/Right-to-use assets, Being depreciated/amortized, Net	111,786,332	1,045,012	(2,807,455)	19,033	110,004,856
Business-Type Activities Capital assets/right to use Assets, Net	\$ 121,977,922	\$ -	\$ 9,655,697	\$ 19,033	\$ 131,614,586

\$1,045,012 of completed Construction in Progress capital assets moved to Equipment.

Amortization and depreciation expense was charged to functions/programs of the primary government as follows:

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Governmental Activities

General Government	\$ 4,689,233
Public Safety	1,524,510
Highways and Streets	5,735,100
Community Development	123,802
Parks, Recreation & Tourism	1,878,006

Total Depreciation/Amortization Expense –	
Governmental Activities	<u>\$ 13,950,651</u>

Business-Type Activities

Water	\$ 2,067,241
Sewer	3,902,072
Environmental Services	983,715
Renaud Center	574,850
Public Venue	133,927

Total Depreciation/Amortization Expense –	
Business-Type Activities	<u>\$ 7,661,805</u>

5. Employees' Retirement System

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. The general fund, street and road improvement fund, recreation fund, storm water fund, water line insurance fund, sewer lateral fund and community development block grant fund are the governmental funds that have been typically used in prior years to liquidate the net pension liabilities.

Plan Description

LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by state statute, section RSMo 70.600-70.755. As such, it is LAGERS' responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. Employees of the City are eligible to participate in LAGERS based on the hours coverage elected by the employer.

LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained

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by accessing the LAGERS' website at www.molagers.org.

Benefits Provided

LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credit service. Employees who retire on or after age 60 (55 for police and public safety) with 5 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 5 years of credited service and after attaining age 55 (50 for police and public safety) and receive a reduced allowance.

	<u>2024 Valuation</u>
Benefit multiplier	2.0% for life
Final average salary	5 years
Member contributions	4%

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

Employees Covered by Benefit Terms

At June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	189
Inactive employees entitled to but not yet receiving benefits	240
Active employees	<u>450</u>
Total	<u>879</u>

Contributions

The City 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 City contribute 4% to the pension plan. The City contribution rates are 9.6% for general, 12.9% for police and 13.8% for public safety of annual covered payroll.

City of O'Fallon, Missouri

Notes to Basic Financial Statements

December 31, 2024

Net Pension Liability

The City's net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 29, 2024. The pension liability was then rolled forward to the measurement date of June 30, 2024, utilizing procedures incorporating the actuarial assumptions.

Actuarial Assumptions

The total pension liability in the February 29, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75% wage inflation; 2.25% price inflation
Salary increases	2.75% to 6.75%; including wage inflation for general 2.75% to 6.55%; including wage inflation for police 2.75% to 6.75%; including wage inflation for public safety
Investment rate of return	7.00%, net of investment expenses

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.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Alpha	15.00%	3.67%
Equity	35.00	4.78

City of O'Fallon, Missouri

Notes to Basic Financial Statements

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Fixed Income	31.00	1.41
Real Assets	36.00	3.29
Strategic Assets	8.00	5.25
Cash/Leverage	(25.00)	(0.29)

Discount Rate

The discount rate used to measure the total pension liability is 7.00%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rate agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes to the Net Pension Liability - General, Police & Public Safety

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2023	\$ 114,472,812	\$ 112,660,570	\$ 1,812,242
Changes for the year:			
Service Cost	3,475,211	-	3,475,211
Interest	8,032,568	-	8,032,568
Changes in benefit terms	-	-	-
Difference between expected and actual experience	4,527,781	-	4,527,781
Contributions - employer	-	3,410,013	(3,410,013)
Contributions - employee	-	1,285,806	(1,285,806)
Net investment income	-	6,169,640	(6,169,640)
Changes in assumptions	-	-	-
Benefit payment, including refunds	(2,909,327)	(2,909,327)	-
Administrative expense	-	(105,954)	105,954
Other changes	-	288,481	(288,481)
Net Changes	13,126,233	8,138,659	4,987,574
Balances at June 30, 2024	\$ 127,599,045	\$ 120,799,229	\$ 6,799,816

City of O'Fallon, Missouri

Notes to Basic Financial Statements

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The funding status of the Plan at June 30, 2024 was 94.67%.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 7.00%, as well as what the City's net pension liability (asset) would be using a discount rate that is 1% point lower (6.00%) or 1% point higher (8.00%) than the current rate.

		<u>1% Decrease</u>	<u>Current Single Discount Rate Assumption</u>	<u>1% Increase</u>
Net pension liability (asset)	\$	28,296,827	\$ 6,799,816	\$ (10,730,544)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2024, the City recognized pension expense of \$1,372,433 for general, \$1,325,877 for police and \$143,276 for public safety. Reported deferred outflows and inflows of resources are related to the following sources:

	<u>Outflows</u>	<u>Inflows</u>	<u>Net Outflows</u>
<u>General, Police & Public Safety</u>			
Difference between expected and actual experience	\$ 5,523,931	\$ (1,654,907)	\$ 3,869,024
Changes in assumptions	7,205	(166,807)	(159,602)
Net difference between projected and actual earnings on pension plan investments	3,121,301	-	3,121,301
Contributions subsequent to the measurement date*	1,777,813	-	1,777,813
Total	<u>\$ 10,430,250</u>	<u>\$ (1,821,714)</u>	<u>\$ 8,608,536</u>

*The amount reported as deferred outflows of resources from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the next fiscal year.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

City of O'Fallon, Missouri
Notes to Basic Financial Statements
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For the Years Ending December 31	
2025	\$ (202,613)
2026	3,214,823
2027	1,852,138
2028	1,228,800
2029	616,354
Thereafter	121,221
Total	\$ 6,830,723

6. Postemployment Benefits Other than Pensions (OPEB)

Plan Description

The Plan is a single-employer defined benefit OPEB plan administered by the City. No assets are accumulated in a trust for the Plan. The Plan does not issue a stand-alone report.

Benefits Provided

The City's defined benefit postemployment healthcare plan provides the option of remaining on the City's medical, dental and vision benefits to eligible retired City employees and their beneficiaries. Retirees and beneficiaries may purchase medical coverage by paying 100% of the blended rate as well as dental and vision coverage. Because the blended rate is usually a fixed amount and does not consider the age of the retiree and dependents and the blended rate considers the cost of medical benefits for active employees as well as retirees, the retiree who is paying 100% of the blended rate is most likely not paying 100% of the true cost of the medical benefits. In addition, most retirees receive an explicit subsidy from the City since they do not pay the full premium equivalent rate. No pre-funding is performed. The City pays an administrative fee each year, currently \$2,567 per year, per participant/retiree. A liability for this annual fee is also valued.

City of O'Fallon, Missouri

Notes to Basic Financial Statements

December 31, 2024

Employees Covered by Benefit Terms

Membership of each plan consisted of the following at December 31, 2024, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	21
Active plan members	<u>235</u>
Total	<u>256</u>

Total OPEB Liability

The City's total OPEB liability as of December 31, 2024 was determined by an actuarial valuation as of that date. The General, Street & Road Improvement, Recreation, Storm Water, Water, Sewer, Environmental Services, Renaud Center and Public Venue funds are used to liquidate the OPEB liability.

Actuarial Assumptions

The total OPEB liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary Increases	3.00%
Discount rate	4.28% per annum (previously 4.00%)
Healthcare cost trend rates	7% for 2024, decreasing to an ultimate rate of 4.5% for 2029 and later years.
Mortality	PUB 2010 w/ MP 2021 projection

The discount rate was based on the S&P Municipal Bond 20-year high grade rate Index at the end of the fiscal year.

City of O'Fallon, Missouri

Notes to Basic Financial Statements

December 31, 2024

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at January 1, 2024	\$ 8,291,272
Changes for the year:	
Service cost	214,681
Interest	329,619
Difference between expected and actual experience	(110,869)
Changes in assumptions	(575,987)
Benefit payment, including refunds	(101,580)
Net Changes	(244,136)
Balances at December 31, 2024	\$ 8,047,136

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 4.28%, as well as what the City's total OPEB liability would be using a discount rate that is 1% point lower (3.28%) or 1% point higher (5.28%) than the current rate.

	<u>1% Decrease</u>	<u>Discount Rate Assumption</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 9,820,849	\$ 8,047,136	\$ 6,676,611

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, calculated using the healthcare trend rate of 7.0% decreasing to 4.5%, as well as what the City's total OPEB liability would be using a healthcare trend rate that is 1% point lower (6.0% decreasing to 3.5%) or 1% point higher (8.0% decreasing to 5.5%) than the current rate.

	<u>1% Decrease</u>	<u>Healthcare Trend Rate Assumption</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 6,594,712	\$ 8,047,136	\$ 9,944,487

City of O'Fallon, Missouri

Notes to Basic Financial Statements

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OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2024, the City recognized OPEB expense of \$344,829. Reported deferred outflows and inflows of resources are related to the following sources:

	<u>Outflows</u>	<u>Inflows</u>	<u>Net Outflows</u>
Difference between expected and actual experience	\$ 2,145,367	\$ (749,460)	\$ 1,395,907
Changes in assumptions	1,182,344	(3,312,355)	(2,130,011)
Total	<u>\$ 3,327,711</u>	<u>\$ (4,061,815)</u>	<u>\$ (734,104)</u>

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Plan Years Ending December 31	
2025	\$ (97,891)
2026	(97,891)
2027	(97,891)
2028	(97,891)
2029	(97,888)
Thereafter	(244,652)
	<u>\$ (734,104)</u>

7. 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; injuries to employees; and natural disasters. The City is self-insured for medical, property and casualty, general liability and workers' compensation benefits.

On January 1, 2001, the City became self-insured with respect to medical insurance. A third-party administers the plan and provides information to the City regarding the claims incurred, reported and nonreported, but unpaid at year-end. The City's estimated liability on December 31, 2024 was \$313,355. The City maintains a stop-loss provision for excess liability claims exceeding \$175,000. All expenditures relating to medical insurance are reported in the respective funds.

City of O'Fallon, Missouri

Notes to Basic Financial Statements

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Employees retiring from the City after five continuous years of employment are eligible for post-employment medical benefits until they become eligible for federal medical coverage (Medicare). The City currently has twenty-one retirees utilizing this benefit. Retirees and beneficiaries may purchase medical coverage by paying 100% of the blended rate.

On July 1, 2014 the City became self-insured with respect to property and casualty and general liability. A third-party administers the plan and provides information to the City regarding the claims incurred. The City retains the risk for the first \$100,000 of an individual claim. Excess insurance coverage is purchased to cover individual claims in excess of \$100,000 for property, automobile, general liability and public officials liability. Unpaid claims as of December 31, 2024 were \$1,967,785 for property and casualty and general liability.

On September 1, 2014 the City became self-insured with respect to workers' compensation benefits. A third-party administers the plan and provides information to the City regarding the claims incurred. The City retains the risk for the first \$575,000 of an individual claim. Excess insurance coverage is purchased to cover individual claims in excess of \$575,000 for workers' compensation benefits. Unpaid claims as of December 31, 2024 were \$1,644,879 for workers' compensation benefits.

There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

		Medical	Property & Casualty and General Liability	Workers' Compensation
Balance on January 1, 2022	\$	349,232	\$	2,028,524
Add: Claims incurred and changes in estimate		5,558,759		1,763,428
Less: Claim payments		(5,469,977)		(1,350,638)
Balance on December 31, 2022		438,014		2,441,314
Add: Claims incurred and changes in estimate		5,986,069		1,674,983
Less: Claim payments		(5,563,110)		(1,124,187)
Balance on December 31, 2023		860,973		2,992,110
Add: Claims incurred and changes in estimate		5,285,394		186,888
Less: Claim payments		(5,833,012)		(1,211,213)
Balance on December 31, 2024	\$	313,355	\$	1,967,785
				\$ 1,644,879

Long-Term Payable

The City records a long-term payable for insurance based on the outstanding claims provided by the third-party administrators. The long-term payable at December 31, 2024 for property, casualty & general liability and workers' compensation insurance

City of O'Fallon, Missouri

Notes to Basic Financial Statements

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is \$2,982,381 for the governmental activities and \$630,283 for the business-type activities.

The payable at December 31, 2024 for medical insurance is \$250,450 for the governmental activities and \$62,905 for the business-type activities, which is reflected in the fund financials.

8. Long-Term Liabilities

The following is a summary of changes in the City's long-term liabilities for the year ended December 31, 2024:

	Original Amount	Balance January 1, 2024	Additions	Reductions	Balance December 31, 2024	Current Portion
Governmental Activities						
2016 GO Refunding Bonds	\$ 41,645,000	\$ 30,925,000	\$ -	\$ 1,760,000	\$ 29,165,000	\$ 1,895,000
2017 GO Refunding Bonds	20,700,000	15,595,000	-	1,000,000	14,595,000	1,050,000
2016 Special Obligation Bonds	5,475,000	3,775,000	-	270,000	3,505,000	275,000
2017 Special Obligation Bonds	7,490,000	6,740,000	-	725,000	6,015,000	765,000
Lease payable	1,198,114	610,609	619,439	505,445	724,603	400,234
Subscription payable	1,692,546	1,276,125	-	414,091	862,034	425,274
Insurance payable	-	3,674,918	-	692,537	2,982,381	633,905
Net pension liability	-	1,456,855	4,266,023	-	5,722,878	-
Total OPEB liability	-	6,825,399	-	222,321	6,603,078	313,966
Compensated absences	-	2,524,686	239,625	-	2,764,311	2,764,311
	<u>\$ 78,200,660</u>	<u>\$ 73,403,592</u>	<u>\$ 5,125,087</u>	<u>\$ 5,589,394</u>	<u>72,939,285</u>	<u>\$ 8,522,690</u>
Plus: Unamortized premium, net					1,766,775	
Total Governmental Activities					<u>\$ 74,706,060</u>	

GO bonds are liquidated by the Debt Service fund

SO bonds are liquidated by the Street & Road Impr and Storm Water funds

Lease payable are liquidated by the Use Tax Fund and the Sewer Lateral fund

Subscription payable are liquidated by the General, Street & Road Impr, Recreation, Storm Water, and Sewer Lateral funds

Beginning compensated absences were restated in accordance with GASB 101, Compensated Absences

The additions and reductions in compensated absences noted above are netted

City of O'Fallon, Missouri

Notes to Basic Financial Statements

December 31, 2024

	Original Amount	Balance January 1, 2024	Additions	Reductions	Balance December 31, 2024	Current Portion
Business-Type Activities						
2013 Special Obligation Bonds	\$ 20,805,000	\$ 3,700,000	\$ -	\$ 975,000	\$ 2,725,000	\$ 1,000,000
2017 Special Obligation Bonds	12,025,000	10,205,000	-	220,000	9,985,000	230,000
2020 Special Obligation Bonds	40,695,000	34,720,000	-	2,495,000	32,225,000	2,565,000
2024 Special Obligation Bonds	13,365,000	-	13,365,000	-	13,365,000	375,000
Subscription payable	674,756	490,014	-	183,370	306,644	162,176
Finance Purchase-2018 HVAC equip	1,445,575	883,920	-	118,662	765,258	122,710
Finance Purchase-2022 cardio equip	75,564	34,779	-	25,898	8,881	8,881
Asset retirement obligations	420,000	420,000	-	-	420,000	200,000
Insurance payable	-	385,630	244,653	-	630,283	53,047
Net pension liability	-	355,387	721,551	-	1,076,938	-
Total OPEB liability	-	1,465,874	-	21,816	1,444,058	30,863
Compensated absences	-	380,179	40,536	-	420,715	420,715
	<u>\$ 89,505,895</u>	<u>\$ 53,040,783</u>	<u>\$ 14,371,740</u>	<u>\$ 4,039,746</u>	<u>63,372,777</u>	<u>\$ 5,168,392</u>
Plus: Unamortized premium, net					1,768,805	
Total Business-Type Activities					<u>\$ 65,141,582</u>	

Beginning compensated absences were restated in accordance with GASB 101, Compensated Absences

The additions and reductions in compensated absences noted above are netted

Debt Service Requirements to Maturity

The annual principal requirements to maturity of bonded debt outstanding as of December 31, 2024 are as follows:

Year Ending 12/31	Governmental Activities		Year Ending 12/31	Business-Type Activities	
	General Obligation and Other Governmental Debt			Revenue Bonds and Other Business-Type Debt	
	Principal	Interest		Principal	Interest
2025	\$ 3,985,000	\$ 1,743,364	2025	\$ 4,170,000	\$ 1,710,200
2026	4,155,000	1,568,814	2026	3,940,000	1,649,750
2027	3,905,000	1,416,714	2027	4,075,000	1,517,000
2028	4,035,000	1,293,764	2028	4,090,000	1,385,825
2029	4,230,000	1,137,164	2029	3,395,000	1,252,075
2030-2034	20,675,000	3,525,219	2030-2034	18,915,000	4,658,100
2035-2039	12,295,000	587,325	2035-2039	13,895,000	2,072,869
			2040-2044	5,820,000	578,338
Total	\$ 53,280,000	\$ 11,272,364	Total	\$ 58,300,000	\$ 14,824,157

City of O'Fallon, Missouri
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December 31, 2024

General Obligation Bonds

General obligation bonds are supported by a pledge of the City's full faith and credit. These bonds, which are reported in the government-wide statement of net position, were issued to finance various capital projects. \$8,012,748 is available in the City's Debt Service Funds to repay general obligation bonds. The remainder of the general obligation bonds is to be repaid from future property tax levies. The bonds bear interest at rates ranging from 2.0% to 5.0% and mature through 2037.

Legal Debt Margin

Under the statutes of the State of Missouri, the limit of bonded indebtedness is 10% of the most recent assessed valuation. This does not include an additional debt limit of 10% assessed valuation available for street improvements or waterworks and electric plants as provided under the statutes of the State of Missouri. The computation is as follows:

Assessed valuation - 2024 tax year	\$	2,969,236,435
Debt limit - 10% of assessed valuation	\$	296,923,644
Amount of debt applicable to debt limit:		
Total general obligation bonded debt		43,760,000
Less: Amount available in Debt Service Fund		8,012,748
Bond indebtedness applicable to debt limit		35,747,252
Legal Debt Margin	\$	261,176,392

Special Obligation Bonds

The City issued special obligation bonds to finance various projects and refund certain certificates of participation. Principal and interest are payable from the parks and storm water sales tax, general sales tax and transportation sales tax for the governmental activities portion and from net revenues derived from the operations of water, sewer, environmental services and public venue for the business-type activities portion. The bonds bear interest at rates ranging from 2.0% to 5.0% and mature through 2044.

City of O'Fallon, Missouri

Notes to Basic Financial Statements

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Finance Purchases

The City entered into finance purchase agreements for the financing of various equipment and facility construction and improvements. A description of the property purchased and detail of the financing are described below. Obligations under finance purchases are stated at the original fair market value of the assets capitalized, less the payments made, discounted at the implicit interest rate.

During 2018, the City entered into a finance purchase agreement with BciCapital, Inc for financing improvements to the HVAC system at the Renaud Center for \$1,445,575 over a 12-year period. The aggregate cost of the equipment is \$1,445,575 less accumulated depreciation of \$730,061 results in a carrying value of \$715,514. The interest rate on the financing is 3.36%. The equipment purchased for the HVAC system upgrade constitutes collateral for this obligation. In the event of default, the financing agreement authorizes action necessary to recovery any amount payable under the then-current terms. The following is a schedule of future minimum financing payments, together with the net present value of the minimum financing payments as of December 31, 2024:

Year Ending 12/31	HVAC Finance-Purchase		
	Total	Principal	Interest
2025	\$ 146,544	\$ 122,710	\$ 23,834
2026	146,544	126,897	19,647
2027	146,544	131,227	15,317
2028	146,544	135,705	10,839
2029	146,544	140,335	6,209
3030	109,907	108,384	1,523
Total	\$ 842,627	\$ 765,258	\$ 77,369

During 2022, the City entered into a finance purchase agreement with Clayton Holdings, LLC for financing equipment for the Renaud Center for \$75,564 over a 3-year period. The aggregate cost of the equipment is \$92,563 less accumulated depreciation of \$71,993 results in a carrying value of \$20,570. The interest rate on the financing is 6.7%. The fitness equipment purchased constitutes collateral for this obligation. In the event of default, the financing agreement authorizes action necessary to recovery any amount payable under the then-current terms. The following is a schedule of future minimum financing payments, together with the net present value of the minimum financing payments as of December 31, 2024:

City of O'Fallon, Missouri

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December 31, 2024

Year Ending 12/31	Equipment Finance-Purchase		
	Total	Principal	Interest
2025	\$ 8,960	\$ 8,881	\$ 79
Total	\$ 8,960	\$ 8,881	\$ 79

Lease Payable

The City entered into a lease agreement on September 17, 2020 to lease equipment for use by the Sewer Lateral department. The City is required to make monthly fixed payments of \$8,886 through September 2025. The lease has an interest rate of 0.5517%. The City has the option to purchase the equipment for \$1.00 at the end of the lease term.

The City entered into a lease agreement on March 30, 2021 to lease body and in car cameras for use by the Police department. The City is required to make annual fixed payments of \$202,529 through March 2026. The lease has an interest rate of 0.5520%. The City added additional equipment to the lease agreement on April 29, 2023 for use by the Police department. The City is required to make annual fixed payments of \$23,344 through March 2026. The City added additional equipment to the lease agreement on June 1, 2024 for use by the Police department. The City was required to make one payment of \$71,298.

The City entered into a lease agreement on January 1, 2024 to lease flock cameras for use by the Police department. The City is required to make annual fixed payments of \$105,000 through December 2028. The lease has an interest rate of 2.282%.

Obligations under lease payable, typically paid from the Use Tax and Sewer Lateral Funds, including future interest payments at December 31, 2024, were as follows:

Year Ending 12/31	Lease Payment	Lease Principal	Lease Interest
2025	\$ 410,846	\$ 400,234	\$ 10,612
2026	128,344	121,345	6,999
2027	105,000	100,367	4,633
2028	105,000	102,657	2,343
Total Future Undiscounted Lease Payments	\$ 749,190	\$ 724,603	\$ 24,587

City of O'Fallon, Missouri

Notes to Basic Financial Statements

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Subscription Payable

The City entered into a subscription agreement on April 11, 2016 to use software for use by the Water department. The City is required to make annual fixed payments of \$10,706 through April 2026. The subscription has an interest rate of 2.6560%.

The City entered into a subscription agreement on June 23, 2016 to use software for use by the Water department. The City is required to make annual fixed payments of \$17,447 through June 2026. The subscription has an interest rate of 2.6560%.

The City entered into a subscription agreement on December 15, 2019 to use software for use city-wide for the City's ERP system. The City is required to make quarterly fixed payments of \$133,934 through December 2026. The subscription has an interest rate of 2.6760%.

The City entered into a subscription agreement on March 25, 2022 to use software for use by the IT department. The City is required to make annual fixed payments of \$39,996 through February 2027. The subscription has an interest rate of 2.6760%.

The City entered into a subscription agreement on December 6, 2022 to use software for use by the Sewer department. The City is required to make annual fixed payments of \$35,000 through December 2027. The subscription has an interest rate of 2.6820%.

Year Ending 12/31	Governmental Activities		
	Subscription Payment	Subscription Principal	Subscription Interest
2025	\$ 444,477	\$ 425,274	\$ 19,203
2026	444,477	436,760	7,717
Total Future Undiscounted Lease Payments	\$ 888,954	\$ 862,034	\$ 26,920

Year Ending 12/31	Business-Type Activities		
	Subscription Payment	Subscription Principal	Subscription Interest
2025	\$ 169,123	\$ 162,176	\$ 6,947
2026	139,255	136,677	2,578
2027	8,000	7,791	209
Total Future Undiscounted Lease Payments	\$ 316,378	\$ 306,644	\$ 9,734

City of O'Fallon, Missouri

Notes to Basic Financial Statements

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Asset Retirement Obligations

The City has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon various water wells and lagoon at the end of their estimated useful lives in accordance with state requirements. The ARO was measured using estimated costs to comply with the legal requirements for the State of Missouri. The estimated remaining useful lives of the water wells range from 30-50 years and lagoon is 1 year as it is budgeted to be closed during 2025.

9. Lessor Disclosures

The following is a summary of changes in the City's leases receivable for the year ended December 31, 2024:

	Original Amount	Balance January 1, 2024	Additions	Reductions	Balance December 31, 2024
Governmental Activities					
Cell tower property					
American Tower 303 Morgan Trail	\$ 517,742	\$ 462,622	\$ -	\$ 29,262	\$ 433,360
Crown Castle 800 Natoli	66,978	33,679	-	16,782	16,897
American Tower 145 Pieper Rd	267,673	235,200	-	16,552	218,648
Crown Castle 807 Wabash	86,958	51,771	-	18,787	32,984
TowerCo 318 School Street	403,283	397,938	-	9,401	388,537
	\$ 1,342,634	\$ 1,181,210	\$ -	\$ 90,784	1,090,426

	Original Amount	Balance January 1, 2024	Additions	Reductions	Balance December 31, 2024
Business-Type Activities					
Cell tower property					
T Mobile 22 Westbrook OmniPoint	\$ 72,927	\$ 31,377	\$ -	\$ 20,895	\$ 10,482
Sprint 1082 Hoff Rd	60,093	36,260	-	12,004	24,256
Stadium					
Baseball Stadium Hoots	1,981,692	1,769,117	-	98,799	1,670,318
	\$ 2,114,712	\$ 1,836,754	\$ -	\$ 131,698	1,705,056

During the year, the City recognized lease revenue of \$222,483 and interest revenue of \$41,982 related to leases.

The City entered into a lease agreement on August 15, 1997 to lease space on City property for the placement of cellular communications equipment for American Tower at 303 Morgan Trail. The lessee was required to make monthly fixed payments of \$2,825 in fiscal year 2024. The payments are monthly installments through August 2037. The lease has an interest rate of 1.4083%.

City of O'Fallon, Missouri
Notes to Basic Financial Statements
December 31, 2024

The City entered into a lease agreement on August 7, 1996 to lease space on City property for the placement of cellular communications equipment for Crown Castle at 800 Natoli. The lessee was required to make an annual payment of \$17,013 in fiscal year 2024. The payments are annual installments through August 2026. The lease has an interest rate of 0.6857%.

The City entered into a lease agreement on August 22, 1996 which was amended on August 27, 2016 to lease space on City property for the placement of cellular communications equipment for American Tower at 145 Pieper Rd. The lessee was required to make monthly fixed payments of \$1,639 in fiscal year 2024. The payments are monthly installments through August 2036. The lease has an interest rate of 1.3693%.

The City entered into a lease agreement on October 23, 1996 to lease space on City property for the placement of cellular communications equipment for Crown Castle at 807 Wabash/810 Sheppard Dr. The lessee was required to make monthly fixed payments of \$1,369 in fiscal year 2024. The payments are monthly installments through October 2026. The lease has an interest rate of 0.2380%.

The City entered into a lease agreement on December 8, 2016 to lease space on City property for the placement of cellular communications equipment for TowerCo at 318 School Street. The lessee was required to make monthly fixed payments of \$1,344 in fiscal year 2024. The payments are monthly installments through October 2047. The lease has an interest rate of 1.7090%.

The City entered into a lease agreement on January 11, 2000 to lease space on a water tower for the placement of cellular communications equipment for T Mobile OmniPoint at 22 Westbrook. The lessee was required to make monthly fixed payments of \$1,749 in fiscal year 2024. The payments are monthly installments through June 2025. The lease has an interest rate of 0.4257%.

The City entered into a lease agreement on November 12, 1996 to lease space on a water tower for the placement of cellular communications equipment for PCS Sprint T Mobile at 1082 Hoff Rd. The lessee was required to make an annual payment of \$12,253 in fiscal year 2024. The payments are annual installments through November 2026. The lease has an interest rate of 0.6857%.

The City entered into a lease agreement on October 1, 2019 to lease the use of the City's baseball stadium for O'Fallon Baseball Associates. L.L.C, also known as the Hoots. The lessee was required to make an annual fixed payment of \$125,000 in fiscal year 2024. The payments are annual installments through December 2039. The lease has an interest rate of 1.4810%.

City of O'Fallon, Missouri
Notes to Basic Financial Statements
December 31, 2024

10. Conduit Debt Activity

The City has issued debt to provide financial assistance to third party entities for the purpose of acquiring and constructing industrial development projects deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entities served by the bond issuances. The City, the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities on the accompanying basic financial statements. Debt outstanding of this nature includes taxable industrial revenue bonds of \$42,217,955 as of December 31, 2024.

Cosmos Corporation (Series 2019A&B)	\$ 25,472,636
DynaFlex (Series 2019)	7,453,133
Bloom Medicinals (Series 2021)	8,998,886
MEMC, LLC (Series 2021)	141,400
Anjon Manufacturing (Series 2022)	60,400
VSM Abrasives (Series 2022)	56,500
Sourceone Solutions (Series 2023)	35,000
	<u>\$ 42,217,955</u>

11. Interfund Balances and Transfers

Interfund transfers for the year ended December 31, 2024 are as follows:

	Transfers From	Transfers To	Net Transfers
Major Governmental Funds			
General Fund	\$ 71,944	\$ -	\$ (71,944)
Street & Road Improvement Fund	-	36,944	36,944
Recreation Fund	900,000	-	(900,000)
Storm Water Fund	-	35,000	35,000
Use Tax Fund	2,165,000	-	(2,165,000)
Nonmajor Governmental Funds			
Transient Guest Tax Fund	300,000	-	(300,000)
Major Enterprise Funds			
Renaud Center Fund	-	900,000	900,000
Public Venue Fund	-	300,000	300,000
Public Training Facility Fund	-	2,165,000	2,165,000
	<u>\$ 3,436,944</u>	<u>\$ 3,436,944</u>	<u>\$ -</u>

City of O'Fallon, Missouri

Notes to Basic Financial Statements

December 31, 2024

Interfund transfers for \$36,944 were to transfer commercial waste hauling fees to the Street and Road Improvement fund.

Interfund transfers for \$35,000 were to cover the cost of the 50/50 cost share program to the Storm Water fund.

Interfund transfers for \$900,000 were to help cover costs of operation for the Renaud Center.

Interfund transfers for \$300,000 were to cover bond payments and operations for the Public Venue fund.

Interfund transfers for \$2,165,000 to help offset costs of the new police training facility land and construction.

	Due From		Due To		Net Due To/From
Major Governmental Funds					
General Fund	\$	22,489	\$	-	\$ (22,489)
Nonmajor Governmental Funds					
CDBG Fund		-		22,489	22,489
	\$	22,489	\$	22,489	\$ -

Due to/from for \$22,489 was to cover negative cash for the CDBG fund due to the timing of the final 2024 reimbursement request after year-end.

	Advances From		Advances To		Net Advances
Major Governmental Fund					
General Fund	\$	-	\$	440,347	\$ 440,347
Major Enterprise Fund					
Environmental Services		440,347		-	(440,347)
	\$	440,347	\$	440,347	\$ -

The General fund paid for the purchase and renovation of a new building for Environmental Services in 2016 and paid for the remainder of the building and renovation in 2017, 2018 and 2019. The Environmental Services fund will pay back the General fund over 15 years or less with 0% interest.

City of O'Fallon, Missouri
Notes to Basic Financial Statements
December 31, 2024

12. Commitments and Contingencies

Litigation

The City is a defendant in several lawsuits pertaining to matters that are incidental to performing routine governmental and other functions. It is the opinion of management that there are no legal proceedings that will have a material effect on the City's financial position.

Federal Grants

Under the terms of federal grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursements to the grantor agencies. It is the opinion of management that such reimbursements, if any, will not have a material effect on the City's financial position.

13. Tax Abatement Agreements

The City currently provides economic development incentives under two programs: Chapter 100 and a Development Agreement.

Chapter 100

The City is authorized and empowered pursuant to the provisions of Article VI, Section 27(b) of the Missouri Constitution, and Sections 100.010 through 100.200, inclusive, of the Revised Statutes of Missouri, as amended (collectively, the "Act"), to purchase, construct, extend and improve certain projects (as defined in the Act) and to issue industrial development revenue bonds for the purpose of providing funds to pay the costs of such projects and to lease or otherwise dispose of such projects to private persons or corporations for manufacturing, commercial, warehousing, office industry and industrial development purposes upon such terms and conditions as the City shall deem advisable.

Upon the issuance of Chapter 100 bonds, generally the City may provide tax abatement on the bond-financed property over the term of the bonds. Under this arrangement, the city retains ownership of the real and/or personal property and leases it back to the company under a lease-purchase agreement. Through the lease agreement, the company is responsible for making payments in lieu of tax (PILOT) that are sufficient to pay the principal and interest on the bonds as they come due. Most commonly, the bonds are purchased by the company.

City of O'Fallon, Missouri

Notes to Basic Financial Statements

December 31, 2024

Because title to the property is held in the name of the City during the lease term, the property acquired with the bond proceeds is tax exempt. The company then assumes ownership at the end of the term of the bonds. In addition to property tax abatement, the company may also benefit from a sales tax exemption for construction materials and/or equipment for the project, if applicable.

During the year ended December 31, 2024 the City had four Chapter 100 issues with abated property taxes totaling \$21,146.

(1) In June 2019, the City issued Industrial Development Revenue Bonds in the amount of \$26,000,000 to finance a project and to provide partial tax abatement to Point West Properties, LLC/Cosmos Corporation in connection with the construction and equipping of a new manufacturing facility in the City. The bonds are payable solely from lease payments made by Cosmos Corporation and related entities. The tax abatement will expire on December 31, 2032. The abatement amounted to \$12,190.

(2) In November 2019, the City issued Industrial Development Revenue Bonds in the amount of \$8,000,000 to finance a project and to provide partial tax abatement to Duke Property Management, LLC/Ortho Solutions, LC D/B/A Dynaflex Corporation in connection with the construction and equipping of a new manufacturing facility in the City. The bonds are payable solely from lease payments made by Dynaflex Corporation and related entities. The tax abatement will expire on December 31, 2035. The abatement amounted to \$5,063.

(3) In March 2022, the City issued Industrial Development Revenue Bonds in the amount of \$6,000,000 to finance a project and to provide partial tax abatement to VSM Abrasives Corporation Project in connection with the construction and equipping of a new manufacturing facility in the City. The bonds are payable solely from the lease payments made by VSM Abrasives and related entities. The tax abatement will expire on December 31, 2033. The abatement amounts to \$1,883.

(4) In July 2021, the City issued Industrial Development Revenue Bonds in the amount of \$9,000,000 to finance a project and to provide partial tax abatement to Bloom Medicinals of MO – Cultivation 1, LLC in connection with the construction and equipping of a new manufacturing facility in the City. The bonds are payable solely from the lease payments made by Bloom Medicinals and related entities. The tax abatement will expire on December 31, 2035. The abatement amounts to \$2,010.

Development Agreement

The City is authorized pursuant to Section 70.220 of the Revised Statutes of Missouri to contract with any other political subdivision, private person, firm, association or corporation, for the planning, development, construction, acquisition or operation of any public improvement or facility, or for a common service.

City of O'Fallon, Missouri

Notes to Basic Financial Statements

December 31, 2024

Many developments require public improvements to accommodate the development. Under a Development Agreement, it is common for a political subdivision to reimburse a developer over a specified period of time for costs associated with these improvements and to utilize incremental revenues generated from the development. A development agreement will also include a provision that the political subdivision's obligation is subject to annual appropriation due to the pledge of tax revenue.

During the year ended December 31, 2024 the City had two Development Agreements. In October 2016, the City entered into an agreement for the development of approximately 12.9 acres of property with four state-of-the-art outdoor turf soccer fields, sand volleyball courts and a clubhouse/restaurant facility. In February 2020, the City entered into another agreement for the development of 159 acres for single-family homes and townhouse units as well as 100 acres of adjacent commercial property. The City is reimbursing the developers through available sales and transient guest taxes. The abatement amounted to \$117,141.

14. Change in Accounting Principle

For the fiscal year ended December 31, 2024, the City implemented GASB Statement No. 101, *Compensated Absences*. In addition to the unused vacation and comp time owed to employees upon separation of employment, the City now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. The effects of the change in accounting principle are summarized below:

	Governmental Activities	Business-Type Activities	Water Fund	Sewer Fund	Environmental Services Fund	Renaud Center Fund
Beginning Net Position, as previously reported	\$ 217,853,031	\$ 99,462,707	\$ 21,589,407	\$ 57,025,368	\$ 9,299,700	\$ 7,459,713
Restatement for:						
GASB 101 compensated absences	(942,236)	(153,724)	(60,784)	(31,951)	(56,746)	(4,243)
Total Net Restatement	(942,236)	(153,724)	(60,784)	(31,951)	(56,746)	(4,243)
Beginning Net Position, as restated	\$ 216,910,795	\$ 99,308,983	\$ 21,528,623	\$ 56,993,417	\$ 9,242,954	\$ 7,455,470

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REQUIRED SUPPLEMENTARY INFORMATION

City of O'Fallon, Missouri
Required Supplementary Information
Budgetary Comparison Information
General Fund
For The Year Ended December 31, 2024

	Budget			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$ 33,296,811	\$ 33,296,811	\$ 34,772,212	\$ 1,475,401
Intergovernmental	581,323	581,323	873,276	291,953
Licenses and permits	2,879,772	2,879,772	3,117,409	237,637
Charges for services	406,550	406,970	606,016	199,046
Fines and forfeitures	804,937	804,937	1,185,776	380,839
Investment earnings	1,315,000	1,315,000	1,532,154	217,154
Interest on leases	-	-	10,043	10,043
Miscellaneous	891,628	971,628	1,182,036	210,408
Total Revenues	40,176,021	40,256,441	43,278,922	3,022,481
Expenditures				
Current:				
General government:	14,265,305	15,211,923	12,750,542	2,461,381
Public safety	18,849,893	19,074,061	17,992,627	1,081,434
Community development	3,885,721	3,934,241	3,733,341	200,900
Parks, recreation and tourism	1,870,026	1,923,227	1,759,501	163,726
Municipal court	627,751	627,751	608,931	18,820
Capital Outlay	735,625	3,571,677	2,679,658	892,019
Debt service:				
Principal retirement	-	-	321,679	(321,679)
Interest	-	-	23,687	(23,687)
Total Expenditures	40,234,321	44,342,880	39,869,966	4,472,914
Revenues Over (Under) Expenditures	(58,300)	(4,086,439)	3,408,956	7,495,395
Other Financing Sources (Uses)				
Insurance recoveries	-	4,141,300	4,207,041	65,741
Transfers In	114,570	114,570	-	(114,570)
Transfers Out	(67,000)	(67,000)	(71,944)	(4,944)
Sale of capital assets	50,000	50,000	30,640	(19,360)
Total Other Financing Sources (Uses)	97,570	4,238,870	4,165,737	(73,133)
Net Change in Fund Balance	39,270	152,431	7,574,693	7,422,262
Fund Balance				
Beginning of year			35,865,575	
Fund Balance End of Year			\$ 43,440,268	

City of O'Fallon, Missouri
Required Supplementary Information
Budgetary Comparison Information
Street & Road Improvement Fund
For The Year Ended December 31, 2024

	Budget			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$ 7,723,490	\$ 7,723,490	\$ 8,363,516	\$ 640,026
Intergovernmental	14,023,770	15,871,159	11,014,373	(4,856,786)
Investment earnings	45,000	45,000	543,411	498,411
Miscellaneous	5,000	53,721	29,506	(24,215)
Total Revenues	21,797,260	23,693,370	19,950,806	(3,742,564)
Expenditures				
Current:				
Highways and streets	6,440,147	6,656,838	5,673,854	982,984
Project Management	1,410,103	1,476,700	1,178,577	298,123
Fleet Maintenance	407,647	417,447	357,753	59,694
Landscaping	91,685	91,685	88,919	2,766
Capital outlay	15,473,344	26,382,014	11,079,235	15,302,779
Debt service:				
Principal retirement	725,000	725,000	774,952	(49,952)
Interest	243,800	243,800	247,422	(3,622)
Total Expenditures	24,791,726	35,993,484	19,400,712	16,592,772
Revenues Under Expenditures	(2,994,466)	(12,300,114)	550,094	12,850,208
Other Financing Sources (Uses)				
Insurance recoveries	-	123,494	124,994	1,500
Transfer in	32,000	32,000	36,944	4,944
Sale of capital assets	40,000	40,000	117,636	77,636
Total Other Financing Sources (Uses)	72,000	195,494	279,574	84,080
Net Change in Fund Balance	(2,922,466)	(12,104,620)	829,668	12,934,288
Fund Balance				
Restricted:				
Beginning of year			13,298,312	
Fund Balance End of Year			\$ 14,127,980	

City of O'Fallon, Missouri
Required Supplementary Information
Budgetary Comparison Information
Recreation Fund
For The Year Ended December 31, 2024

	Budget			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$ 6,168,601	\$ 6,168,601	\$ 6,665,857	\$ 497,256
Intergovernmental	-	-	28,830	28,830
Charges for services	1,458,510	1,508,510	1,611,012	102,502
Investment earnings	235,000	235,000	337,612	102,612
Interest on leases	-	-	6,394	6,394
Miscellaneous	102,447	102,447	131,934	29,487
Total Revenues	7,964,558	8,014,558	8,781,639	767,081
Expenditures				
Current:				
Project management	40,922	40,922	39,948	974
Fleet	78,382	83,183	66,566	16,617
Facilities	248,449	248,449	244,321	4,128
Recreation	3,151,245	3,310,303	2,802,146	508,157
Parks	3,365,975	3,506,039	3,201,455	304,584
Landscaping	1,711	1,711	1,730	(19)
Capital outlay	1,435,329	2,005,077	975,517	1,029,560
Debt service:				
Principal retirement	-	-	19,981	(19,981)
Interest	-	-	1,448	(1,448)
Total Expenditures	8,322,013	9,195,684	7,353,112	1,842,572
Revenues Over (Under) Expenditures	(357,455)	(1,181,126)	1,428,527	2,609,653
Other Financing Sources (Uses)				
Insurance recoveries	-	1,642,411	2,149,457	507,046
Transfer out	(900,000)	(900,000)	(900,000)	-
Sale of capital assets	5,000	5,000	41,618	36,618
Total Other Financing Sources (Uses)	(895,000)	747,411	1,291,075	543,664
Net Change in Fund Balance	(1,252,455)	(433,715)	2,719,602	3,153,317
Fund Balance				
Restricted:				
Beginning of year			7,238,941	
Fund Balance End of Year			\$ 9,958,543	

City of O'Fallon, Missouri
Required Supplementary Information
Budgetary Comparison Information
Storm Water Fund
For The Year Ended December 31, 2024

	Budget			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$ 1,930,873	\$ 1,930,873	\$ 2,090,862	\$ 159,989
Investment earnings	100,000	100,000	151,044	51,044
Miscellaneous	200	200	250	50
Total Revenues	2,031,073	2,031,073	2,242,156	211,083
Expenditures				
Current:				
General Government	1,187,660	1,314,000	1,021,177	292,823
Capital Outlay	531,449	860,429	403,034	457,395
Debt service:				
Principal retirement	270,000	270,000	289,981	(19,981)
Interest	112,208	112,208	113,655	(1,447)
Total Expenditures	2,101,317	2,556,637	1,827,847	728,790
Revenues Under Expenditures	(70,244)	(525,564)	414,309	939,873
Other Financing Sources (Uses)				
Insurance recoveries	-	34,349	34,348	(1)
Transfers in	35,000	35,000	35,000	-
Sale of capital assets	-	-	72,376	72,376
Total Other Financing Sources (Uses)	35,000	69,349	141,724	72,375
Net Change in Fund Balance	(35,244)	(456,215)	556,033	1,012,248
Fund Balance				
Restricted:				
Beginning of year			3,490,603	
Fund Balance End of Year			\$ 4,046,636	

City of O'Fallon, Missouri
Required Supplementary Information
Budgetary Comparison Information
Use Tax Fund
For The Year Ended December 31, 2024

	Budget			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$ 7,998,859	\$ 7,998,859	\$ 7,089,981	\$ (908,878)
Intergovernmental	-	50,000	44,600	(5,400)
Investment earnings	140,000	140,000	265,307	125,307
Miscellaneous	-	-	278	278
Total Revenues	8,138,859	8,188,859	7,400,166	(788,693)
Expenditures				
Current:				
Highways and streets	-	1	-	1
Public Safety	976,057	1,022,316	387,197	635,119
Capital Outlay	5,901,536	8,761,256	7,580,646	1,180,610
Debt service:				
Principal	-	-	399,571	(399,571)
Interest	-	-	2,600	(2,600)
Total Expenditures	6,877,593	9,783,573	8,370,014	1,413,559
Revenues Under Expenditures	1,261,266	(1,594,714)	(969,848)	624,866
Other Financing Sources (Uses)				
Insurance recoveries	-	20,611	-	(20,611)
Transfers out	(1,550,000)	(2,165,000)	(2,165,000)	-
Leases	-	-	619,439	619,439
Total Other Financing Sources (Uses)	(1,550,000.00)	(2,144,389)	(1,545,561)	598,828
Net Change in Fund Balance	(288,734)	(3,739,103)	(2,515,409)	1,223,694
Fund Balance				
Restricted:				
Beginning of year			7,504,483	
Fund Balance End of Year			\$ 4,989,074	

City of O'Fallon, Missouri
Notes to Budgetary Comparison Information
December 31, 2024

Budgetary Process

The City Council follows the procedures outlined below in establishing the budgetary data reflected in the basic financial statements:

1. Prior to December 31, the City Council appropriates, by ordinance, the annual operating budget for the fiscal year beginning the following January 1 for the General, Special Revenue, Debt Service, and Capital Project Funds. The City Council also adopts, as a management control device only, a budget for the Enterprise Funds. The City adopts budgets in accordance with U.S. generally accepted accounting principles (GAAP).
2. The legal level of budgetary control lies at the fund level for all of the governmental funds. The City Administrator is authorized to transfer part, or all, of any unexpected budget balance among any departments within these funds. The City Administrator is not authorized to approve expenditures in excess of the adopted budget.
3. The City Council may, by ordinance, make supplemental appropriations for revenues in excess of original budget estimates or reduce appropriations should revenues be insufficient to meet the amount appropriated. State statutes prohibit deficit budgeting by requiring that estimated expenditures for the period do not exceed estimated revenues for the period plus unencumbered budget basis fund balances at the beginning of the period.

For the year ended December 31, 2024, no funds had expenditures exceeding appropriations.

City of O'Fallon, Missouri
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios
For The Year Ended December 31, 2024

Fiscal year ending June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	\$ 3,475,211	\$ 3,242,047	\$ 2,415,039	\$ 2,359,662	\$ 2,330,909	\$ 2,266,871	\$ 2,155,933	\$ 2,075,658	\$ 1,946,724	\$ 1,946,233
Interest on total pension liability	8,032,568	7,363,488	5,923,356	5,777,081	5,396,188	5,003,487	4,583,371	4,188,262	3,722,127	3,597,268
Changes of Benefit Terms	-	2,288,151	13,374,119	-	-	-	-	-	-	-
Difference between expected & actual experience	4,527,781	(427,536)	1,518,173	(420,811)	(801,433)	(441,865)	351,227	577,568	(200,878)	(2,632,351)
Changes of assumptions	-	-	-	(407,914)	-	-	-	(659,540)	2,702,230	-
Benefit payments, including refunds	(2,909,327)	(3,131,858)	(2,998,169)	(1,821,931)	(1,554,928)	(1,335,676)	(1,364,488)	(1,187,454)	(1,411,176)	(974,841)
Net change in total pension liability	13,126,233	9,334,292	20,232,518	5,486,287	5,370,736	5,492,817	5,726,043	4,994,494	6,759,027	1,936,309
Total pension liability - beginning	114,472,812	105,138,520	84,906,002	79,419,715	74,048,979	68,556,162	62,830,119	57,835,625	51,076,598	49,140,289
Total pension liability - ending (a)	\$ 127,599,045	\$ 114,472,812	\$ 105,138,520	\$ 84,906,002	\$ 79,419,715	\$ 74,048,979	\$ 68,556,162	\$ 62,830,119	\$ 57,835,625	\$ 51,076,598
Plan fiduciary net position										
Contributions - employer	\$ 3,410,013	\$ 3,088,773	\$ 2,644,782	\$ 2,442,244	\$ 2,361,838	\$ 2,328,751	\$ 2,223,689	\$ 2,069,541	\$ 1,997,091	\$ 2,176,293
Contributions - employee	1,285,806	1,163,023	379,283	-	-	-	-	7,013	-	-
Net investment income	6,169,640	3,934,789	100,016	23,011,779	1,051,960	4,878,033	8,120,592	6,915,602	(31,988)	1,102,575
Benefit payments, including refunds	(2,909,327)	(3,131,858)	(2,998,169)	(1,821,931)	(1,554,928)	(1,335,676)	(1,364,488)	(1,187,454)	(1,411,176)	(974,841)
Pension plan administrative expense	(105,954)	(115,573)	(77,366)	(70,116)	(88,249)	(77,816)	(53,372)	(50,245)	(47,638)	(51,826)
Other (net transfer)	288,481	291,515	2,244,273	342,694	(150,814)	(481,657)	(37,742)	(417,588)	(300,395)	1,521,528
Net change in plan fiduciary net position	8,138,659	5,230,669	2,292,819	23,904,670	1,619,807	5,311,635	8,888,679	7,336,869	205,894	3,773,729
Plan fiduciary net position - beginning	112,660,570	107,429,901	105,137,082	81,232,412	79,612,605	74,300,970	65,412,291	58,075,422	57,869,528	54,095,799
Plan fiduciary net position - ending (b)	\$ 120,799,229	\$ 112,660,570	\$ 107,429,901	\$ 105,137,082	\$ 81,232,412	\$ 79,612,605	\$ 74,300,970	\$ 65,412,291	\$ 58,075,422	\$ 57,869,528
Net pension liability/(asset) - ending (a) - (b)	\$ 6,799,816	\$ 1,812,242	\$ (2,291,381)	\$ (20,231,080)	\$ (1,812,697)	\$ (5,563,626)	\$ (5,744,808)	\$ (2,582,172)	\$ (239,797)	\$ (6,792,930)
Plan fiduciary net position as a percentage of the total pension liability	94.67%	98.42%	102.18%	123.83%	102.28%	107.51%	108.38%	104.11%	100.41%	113.30%
Covered payroll	\$ 31,378,757	\$ 27,897,305	\$ 26,991,697	\$ 26,461,851	\$ 25,960,089	\$ 25,732,922	\$ 24,923,043	\$ 23,639,840	\$ 22,307,352	\$ 21,708,326
Net pension liability (asset) as a percentage of covered payroll	21.67%	6.50%	-8.49%	-76.45%	-6.98%	-21.62%	-23.05%	-10.92%	-1.07%	-31.29%

Notes to schedule:

The amounts noted above are as of the measurement date which is June 30 prior to the end of the fiscal year.

During the year ended June 30, 2021, the discount rate decreased from 7.25% to 7.00%.

During the year ended June 30, 2022, the changes in benefit terms was a plan change from LT-8(65) to L-6 with employees contributing 4%.

During the year ended June 30, 2023, the changes in benefit terms was a plan change for dispatchers and confinement officers from general to public safety employees.

City of O'Fallon, Missouri
Required Supplementary Information
Schedule of Pension Contributions
Last Ten Fiscal Years

	For the Years Ending December 31									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 3,554,067	\$ 3,189,348	\$ 2,953,649	\$ 2,469,841	\$ 2,399,592	\$ 2,341,658	\$ 2,296,119	\$ 2,135,783	\$ 1,868,424	\$ 2,207,936
Contributions in relation to the actuarially determined contribution	3,554,067	3,189,348	2,953,648	2,469,842	2,399,592	2,341,659	2,296,119	2,135,781	1,868,426	2,207,937
Contribution Deficiency (Excess)	\$ -	\$ -	\$ 1	\$ (1)	\$ -	\$ (1)	\$ -	\$ 2	\$ (2)	\$ (1)
Covered Payroll	32,898,476	30,670,049	28,123,683	27,159,544	26,537,475	26,383,009	25,671,891	24,486,388	23,134,585	22,793,473
Covered Payroll Contributions as a Percentage of Covered Payroll	10.80%	10.40%	10.50%	9.09%	9.04%	8.88%	8.94%	8.72%	8.08%	9.69%

Notes to schedule:

Valuation Date:

Actuarially determined contribution rates are calculated as of February 28/29 prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal and Modified Terminal Funding
Amortization method	Level percent of payroll, closed
Remaining amortization period	15 years
Asset valuation method	5 years smoothed fair value; 20% corridor
Inflation	2.75% wage inflation; 2.25% price inflation
Salary increases	2.75% to 6.75%; including wage inflation
Investment rate of return	7.00%; net of investment expenses
Retirement age	Experienced-based tables of rates that are specific to the 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 for 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:

Note:

There were no benefit changes during the year.

City of O'Fallon, Missouri
Required Supplementary Information
Schedule of Changes in Total OPEB Liability and Related Ratios
For The Year Ended December 31, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	\$ 214,681	\$ 186,892	\$ 267,213	\$ 283,722	\$ 266,185	\$ 315,670	\$ 309,533
Interest	329,619	318,478	177,971	157,565	240,086	232,959	212,458
Difference between expected & actual experience	(110,869)	(62,094)	3,083,247	(317,200)	(824,584)	96,978	99,315
Changes of assumptions	(575,987)	513,436	(3,939,515)	(290,040)	1,184,594	381,410	-
Benefit payments	(101,580)	(109,452)	(109,452)	(67,000)	(66,782)	(58,000)	(58,138)
Net change in total OPEB liability	(244,136)	847,260	(520,536)	(232,953)	799,499	969,017	563,168
Total OPEB liability - beginning	8,291,272	7,444,012	7,964,548	8,197,501	7,398,002	6,428,985	5,865,817
Total OPEB liability - ending	\$ 8,047,136	\$ 8,291,272	\$ 7,444,012	\$ 7,964,548	\$ 8,197,501	\$ 7,398,002	\$ 6,428,985
Covered-employee payroll	\$ 20,260,178	\$ 18,842,408	\$ 18,124,600	\$ 18,804,011	\$ 19,271,782	\$ 25,719,345	\$ 25,384,195
Total OPEB liability as a percentage of covered-employee payroll	39.72%	44.00%	41.07%	42.36%	42.54%	28.76%	25.33%

Notes to schedule:

Information is not available for fiscal years prior to 2018.

There are no assets in a trust compliant with GASB codification P22.101 or P52.101.

During the year ended December 31, 2024, the bond index rate increased from 4.00% to 4.28%

During the year ended December 31, 2023, the bond index rate decreased from 4.31% to 4.00%

During the year ended December 31, 2022, the bond index rate increased from 2.25% to 4.31%

During the year ended December 31, 2021, the bond index rate increased from 1.93% to 2.25%

During the year ended December 31, 2020, the bond index rate decreased from 3.26% to 1.93%

During the year ended December 31, 2019, the bond index rate decreased from 3.64% to 3.26%

Implicit Subsidy Contribution (2024 rounded) \$50,000; Admin \$51,580

Implicit Subsidy Contribution (2023 rounded) \$64,000; Admin \$45,452

Implicit Subsidy Contribution (2022 rounded) \$64,000; Admin \$45,452

Implicit Subsidy Contribution (2021 rounded) \$30,000; Admin \$37,000

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SUPPLEMENTARY INFORMATION

City of O'Fallon, Missouri
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2024

	Special Revenue Funds							
	Police Training	Water Line Insurance	Sewer Lateral Insurance	Transient Guest Tax	Community Development Block Grant	Inmate Security	Total	
Assets								
Cash and investments:								
Unrestricted	\$ 76,069	\$ 310,625	\$ 753,488	\$ 1,754,934	\$ -	\$ 144,937	\$	3,040,053
Receivables:								
Property taxes	-	346,908	866,279	-	-	-		1,213,187
Other taxes	-	-	-	70,642	-	-		70,642
Other	1,121	-	-	-	43,349	1,120		45,590
Prepaid assets	-	693	2,055	-	-	-		2,748
Total Assets	\$ 77,190	\$ 658,226	\$ 1,621,822	\$ 1,825,576	\$ 43,349	\$ 146,057	\$	4,372,220
Liabilities								
Accounts payable	-	2,363	9,010	31,706	17,338	441		60,858
Accrued wages payable	-	7,400	22,671	-	3,522	-		33,593
Due to other funds	-	-	-	-	22,489	-		22,489
Total Liabilities	-	9,763	31,681	31,706	43,349	441		116,940
Deferred Inflow Of Resources								
Unavailable revenue from property taxes	-	8,570	20,639	-	-	-		29,209
Fund Balances								
Nonspendable								
Prepaid assets	-	693	2,055	-	-	-		2,748
Restricted - externally imposed or law								
Water Line	-	639,200	-	-	-	-		639,200
Sewer Lateral	-	-	1,567,447	-	-	-		1,567,447
Public Safety	77,190	-	-	-	-	145,616		222,806
Parks, Recreation and Tourism	-	-	-	1,793,870	-	-		1,793,870
Total Fund Balances	77,190	639,893	1,569,502	1,793,870	-	145,616		4,226,071
Total Liabilities, Deferred Inflow Of Resources, And Fund Balances								
	\$ 77,190	\$ 658,226	\$ 1,621,822	\$ 1,825,576	\$ 43,349	\$ 146,057	\$	4,372,220

City of O'Fallon, Missouri
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For The Year ended December 31, 2024

	Special Revenue Funds						
	Police Training	Water Line Insurance	Sewer Lateral Insurance	Transient Guest Tax	Community Development Block Grant	Inmate Security	Total
Revenues							
Taxes	\$ -	\$ 347,792	\$ 868,933	\$ 752,882	\$ -	\$ -	\$ 1,969,607
Intergovernmental	5,873	16	65	1,721	449,912	-	457,587
Fines and forfeitures	13,860	-	-	-	-	13,844	27,704
Investment earnings	3,075	16,667	41,580	80,833	-	6,161	148,316
Miscellaneous	-	13,359	28,052	86	-	18	41,515
Total Revenues	22,808	377,834	938,630	835,522	449,912	20,023	2,644,729
Expenditures							
Current:							
General government	-	156,749	568,611	-	-	-	725,360
Public safety	19,021	-	-	-	-	17,426	36,447
Community development	-	-	-	-	449,912	-	449,912
Parks, recreation and tourism	-	-	-	457,307	-	-	457,307
Capital outlay	-	65,303	82,789	86,640	-	-	234,732
Debt Service							
Principal retirement	-	-	108,372	-	-	-	108,372
Interest	-	-	938	-	-	-	938
Total Expenditures	19,021	222,052	760,710	543,947	449,912	17,426	2,013,068
Revenues Over (Under) Expenditures	3,787	155,782	177,920	291,575	-	2,597	631,661
Other Financing Sources (Uses)							
Insurance recoveries	-	-	40,202	-	-	-	40,202
Transfers out	-	-	-	(300,000)	-	-	(300,000)
Sale of capital assets	-	-	-	82	-	-	82
Total Other Financing Sources (Uses)	-	-	40,202	(299,918)	-	-	(259,716)
Net Changes in Fund Balances	3,787	155,782	218,122	(8,343)	-	2,597	371,945
Fund Balances							
Beginning of year	73,403	484,111	1,351,380	1,802,213	-	143,019	3,854,126
End of Year	\$ 77,190	\$ 639,893	\$ 1,569,502	\$ 1,793,870	\$ -	\$ 145,616	\$ 4,226,071

City of O'Fallon, Missouri
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Nonmajor Governmental Funds
Page 1 of 3
For The Year Ended December 31, 2024

	Police Training Fund			Water Line Insurance		
	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ 347,896	\$ 347,792	\$ (104)
Intergovernmental	5,500	5,873	373	-	16	16
Fines and forfeitures	7,500	13,860	6,360	-	-	-
Investment earnings	1,500	3,075	1,575	11,000	16,667	5,667
Miscellaneous	-	-	-	14,000	13,359	(641)
Total Revenues	14,500	22,808	8,308	372,896	377,834	4,938
Expenditures						
Current:						
General Government	-	-	-	243,803	156,749	87,054
Public Safety	30,000	19,021	10,979	-	-	-
Capital Outlay	-	-	-	67,002	65,303	1,699
Debt Service						
Principal retirement	-	-	-	49,116	-	49,116
Total Expenditures	30,000	19,021	10,979	359,921	222,052	137,869
Revenues Over (Under) Expenditures	(15,500)	3,787	19,287	12,975	155,782	142,807
Fund Balance						
Restricted:						
Beginning of year		73,403			484,111	
Fund Balance End of Year		\$ 77,190			\$ 639,893	

City of O'Fallon, Missouri
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Nonmajor Governmental Funds
Page 2 of 3
For The Year Ended December 31, 2024

	Sewer Lateral Insurance			Transient Guest Tax Fund		
	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues						
Taxes	\$ 866,616	\$ 868,933	\$ 2,317	\$ 850,000	\$ 752,882	\$ (97,118)
Intergovernmental	-	65	65	-	1,721	1,721
Investment earnings	30,000	41,580	11,580	60,000	80,833	20,833
Miscellaneous	38,000	28,052	(9,948)	-	86	86
Total Revenues	934,616	938,630	4,014	910,000	835,522	(74,478)
Expenditures						
Current:						
General	906,067	568,611	337,456	-	-	-
Parks, recreation and tourism	-	-	-	654,549	457,307	197,242
Capital Outlay	118,608	82,789	35,819	154,536	86,640	67,896
Debt Service						
Principal retirement	105,874	108,372	(2,498)	-	-	-
Interest	757	938	(181)	-	-	-
Total Expenditures	1,131,306	760,710	370,596	809,085	543,947	265,138
Revenues Over Expenditures	(196,690)	177,920	374,610	100,915	291,575	190,660
Other Financing Uses						
Insurance recoveries	40,203	40,202	(1)	-	-	-
Transfers out	-	-	-	(300,000)	(300,000)	-
Sale of capital assets	-	-	-	-	82	82
Total Other Financing Uses	40,203	40,202	(1)	(300,000)	(299,918)	82
Net Changes in Fund Balances	(156,487)	218,122	374,609	(199,085)	(8,343)	190,742
Fund Balance						
Restricted:						
Beginning of year		1,351,380			1,802,213	
Fund Balance End of Year	\$	1,569,502		\$	1,793,870	

City of O'Fallon, Missouri
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Nonmajor Governmental Funds
Page 3 of 3
For The Year Ended December 31, 2024

	Community Development Block Grant Fund			Inmate Security Fund		
	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues						
Fines and forfeitures	\$ -	\$ -	\$ -	\$ 7,500	13,844	\$ 6,344
Intergovernmental	520,785	449,912	(70,873)	\$ -	-	-
Investment earnings	-	-	-	2,500	6,161	3,661
Miscellaneous	-	-	-	-	18	18
Total Revenues	520,785	449,912	(70,873)	10,000	20,023	10,023
Expenditures						
Current:						
Public Safety	-	-	-	38,700	17,426	21,274
Community Development	524,043	449,912	74,131	-	-	-
Total Expenditures	524,043	449,912	74,131	38,700	17,426	21,274
Revenues Over (Under) Expenditures	(3,258)	-	3,258	(28,700)	2,597	31,297
Fund Balance						
Restricted:						
Beginning of year		-			143,019	
Fund Balance End of Year		\$ -			\$ 145,616	

City of O'Fallon, Missouri
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Debt Service Fund
For The Year Ended December 31, 2024

	Budget			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$ 4,365,692	\$ 4,365,692	\$ 4,381,443	\$ 15,751
Investment earnings	180,000	180,000	191,291	11,291
Total Revenues	4,545,692	4,545,692	4,572,734	27,042
Expenditures				
Current:				
General government	2,000	2,000	636	1,364
Debt service:				
Principal repayment	2,760,000	2,760,000	2,760,000	-
Interest	1,571,634	1,571,634	1,571,633	1
Total Expenditures	4,333,634	4,333,634	4,332,269	1,365
Net Change in Fund Balance	212,058	212,058	240,465	28,407
Fund Balance				
Restricted:				
Beginning of year			7,772,283	
Fund Balance End of Year			\$ 8,012,748	

City of O'Fallon, Missouri
Combining Statement of Fiduciary Net Position
Custodial Funds
December 31, 2024

	Custodial Funds			
	Lake St Louis Municipal Court	Weldon Spring Municipal Court	Waterbury Storm CID	Total
Assets				
Cash	\$ 11,087	\$ 12,264	\$ 12,014	\$ 35,365
Total Assets	11,087	12,264	12,014	35,365
Liabilities				
Municipal court appearance bonds payable	10,562	12,130	-	22,692
Total Liabilities	10,562	12,130	-	22,692
Net Position				
Restricted for:				
Lake St Louis Municipal Court	525	-	-	525
Weldon Springs Municipal Court	-	134	-	134
Waterbury Storm CID	-	-	12,014	12,014
Total Net Position	\$ 525	\$ 134	\$ 12,014	\$ 12,673

City of O'Fallon, Missouri
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For The Year Ended December 31, 2024

	Custodial Funds			
	Lake St Louis Municipal Court	Weldon Spring Municipal Court	Waterbury Storm CID	Total
Additions				
Sales tax collections for Waterbury Storm CID	\$ -	\$ -	\$ 2,545	\$ 2,545
Fines and forfeitures	182,751	124,856	-	307,607
Interest revenue	-	-	990	990
Total Additions	182,751	124,856	3,535	311,142
Deductions				
Contractual services	182,435	126,602	-	309,037
Administrative expenses	-	-	39,381	39,381
Total Deductions	182,435	126,602	39,381	348,418
Net increase (decrease) in fiduciary net position	316	(1,746)	(35,846)	(37,276)
Net position - beginning	209	1,880	47,860	49,949
Net position - ending	\$ 525	\$ 134	\$ 12,014	\$ 12,673



Statistics

2024 Annual Comprehensive Financial Report
City of O'Fallon, Missouri

Statistical Section

This part of the City of O'Fallon's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	96-102
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax and sales tax.	103-107
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	108-112
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	113-114
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	115-117

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

City of O'Fallon, Missouri
Net Position by Component
Last Ten Fiscal Years
Accrual Basis of Accounting

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities										
Net Investment of capital assets	\$ 109,840,518	\$ 118,888,698	\$ 123,484,000	\$ 127,880,827	\$ 136,016,066	\$ 143,144,853	\$ 146,361,182	\$ 144,326,083	\$ 148,825,701	\$ 154,412,834
Restricted	22,793,347	21,244,138	21,634,905	17,335,059	20,591,032	23,838,453	28,185,087	38,963,088	44,750,779	46,728,725
Unrestricted	23,035,443	21,386,105	19,898,844	23,653,435	21,129,924	21,945,406	24,757,122	21,967,155	24,276,551	32,715,998
Total Governmental Activities Net Position	\$ 155,669,308	\$ 161,518,941	\$ 165,017,749	\$ 168,869,321	\$ 177,737,022	\$ 188,928,712	\$ 199,303,391	\$ 205,256,326	\$ 217,853,031	\$ 233,857,557
Business-Type Activities										
Net Investment of capital assets	\$ 48,619,651	\$ 50,364,461	\$ 53,689,370	\$ 60,724,832	\$ 59,391,577	\$ 59,718,964	\$ 59,164,898	\$ 62,751,574	\$ 70,833,979	\$ 81,494,488
Restricted	985,324	982,071	386,985	319,147	319,000	-	-	-	-	-
Unrestricted	15,305,400	15,341,326	14,473,459	9,029,544	15,169,101	20,502,439	25,937,539	30,227,175	28,628,728	28,358,937
Total Business-Type Activities Net Position	\$ 64,910,375	\$ 66,687,858	\$ 68,549,814	\$ 70,073,523	\$ 74,879,678	\$ 80,221,403	\$ 85,102,437	\$ 92,978,749	\$ 99,462,707	\$ 109,853,425
Primary Government										
Net Investment of capital assets	\$ 158,460,169	\$ 169,253,159	\$ 177,173,370	\$ 188,605,659	\$ 195,407,643	\$ 202,863,817	\$ 205,526,080	\$ 207,077,657	\$ 219,659,680	\$ 235,907,322
Restricted	23,778,671	22,226,209	22,021,890	17,654,206	20,910,032	23,838,453	28,185,087	38,963,088	44,750,779	46,728,725
Unrestricted	38,340,843	36,727,432	34,372,303	32,682,979	36,299,025	42,447,845	50,694,661	52,194,330	52,905,279	61,074,935
Total Primary Government Net Position	\$ 220,579,683	\$ 228,206,800	\$ 233,567,563	\$ 238,942,844	\$ 252,616,700	\$ 269,150,115	\$ 284,405,828	\$ 298,235,075	\$ 317,315,738	\$ 343,710,982

City of O'Fallon, Missouri
Changes in Net Position
Last Ten Fiscal Years
Accrual Basis of Accounting

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental Activities										
General government	\$ 14,213,241	\$ 18,494,572	\$ 24,014,900	\$ 21,198,989	\$ 21,014,818	\$ 19,703,733	\$ 20,936,206	\$ 24,369,729	\$ 21,686,674	\$ 18,368,386
Public safety	12,136,211	13,789,276	14,182,753	15,537,337	14,837,296	14,977,589	13,694,729	17,253,345	18,968,281	20,729,102
Highways and streets	10,004,038	10,623,216	10,743,360	11,141,399	11,610,069	11,465,000	11,811,459	27,009,929	22,815,559	19,857,287
Community development	2,541,213	3,004,649	2,937,476	2,866,239	3,070,509	3,059,935	3,066,401	3,396,695	3,757,882	4,440,030
Parks, recreation and tourism	5,830,511	6,308,777	6,625,299	6,874,579	7,303,062	8,154,196	8,218,713	9,176,186	9,394,145	11,180,764
Municipal court	439,950	448,079	374,805	393,571	370,539	393,032	448,074	456,255	557,924	613,726
Interest on long-term debt	1,777,988	2,472,969	3,026,147	2,785,444	2,622,200	2,388,099	2,181,226	1,832,315	1,730,957	1,552,440
Total Governmental Activities Expenses	46,943,152	55,141,538	61,904,740	60,797,558	60,828,493	60,141,584	60,356,808	83,494,454	78,911,422	76,741,735
Business-Type Activities										
Water	5,036,596	5,373,392	5,351,255	6,508,299	6,371,200	6,893,619	6,708,480	7,844,748	7,743,416	8,280,256
Sewer	6,847,749	7,177,580	7,478,456	7,649,410	7,613,666	8,471,952	8,490,932	9,843,450	9,862,955	10,110,469
Environmental services	3,774,364	4,201,498	4,247,833	4,423,544	4,590,449	4,876,953	4,528,560	5,592,432	5,413,540	5,293,852
Renaud Center	2,198,056	2,494,714	2,442,780	2,400,980	2,607,352	2,731,821	2,931,658	2,939,509	2,927,170	3,525,506
Public venue	515,456	529,293	447,115	591,685	274,891	371,381	335,407	316,135	384,197	325,996
Public training facility	-	-	-	-	-	-	-	-	-	13,752
Total Business-Type Activities Expenses	18,372,221	19,776,477	19,967,439	21,573,918	21,457,558	23,345,726	22,995,037	26,536,274	26,331,278	27,549,831
Total Primary Government Expenses	\$ 65,315,373	\$ 74,918,015	\$ 81,872,179	\$ 82,371,476	\$ 82,286,051	\$ 83,487,310	\$ 83,351,845	\$ 110,030,728	\$ 105,242,700	\$ 104,291,566
Program Revenues										
Governmental Activities										
Charges for service										
General government	\$ 114,538	\$ 124,625	\$ 121,897	\$ 122,559	\$ 126,562	\$ 131,079	\$ 104,343	\$ 197,234	\$ 164,558	\$ 230,770
Public safety	23,502	37,673	77,075	39,073	22,685	20,080	24,940	7,480	51,871	25,231
Community development	1,443,251	1,582,265	1,645,198	1,363,209	1,674,659	2,779,943	2,051,859	2,867,623	3,279,573	3,284,043
Parks, recreation and tourism	1,185,042	1,119,737	1,086,002	1,203,897	1,241,285	947,107	1,533,128	1,368,219	1,607,046	1,794,393
Municipal court	1,695,801	1,440,749	1,131,215	1,168,777	1,567,530	1,743,050	1,197,406	524,915	941,088	1,353,100
Operating grants and contributions	652,093	878,976	685,932	613,286	794,039	2,379,583	806,243	1,108,596	1,734,897	6,459,734
Capital grants and contributions	7,765,677	8,950,116	12,817,896	10,525,624	13,174,484	12,707,064	6,716,375	12,782,860	12,124,679	14,000,602
Total Governmental Activities Program Revenues	\$ 12,879,904	\$ 14,134,141	\$ 17,565,215	\$ 15,036,425	\$ 18,601,244	\$ 20,707,906	\$ 12,434,294	\$ 18,856,927	\$ 19,903,712	\$ 27,147,873

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Business-Type Activities										
Charges for service										
Water	\$ 5,281,228	\$ 5,574,434	\$ 5,833,920	\$ 6,516,700	\$ 6,779,429	\$ 7,116,691	\$ 6,955,002	\$ 7,930,534	\$ 8,382,983	\$ 8,536,183
Sewer	7,610,219	7,816,328	7,163,599	8,852,270	10,900,683	12,077,622	11,482,479	12,533,198	12,522,922	12,926,186
Environmental services	4,551,270	4,704,842	4,634,923	4,890,368	5,394,231	5,336,331	5,442,589	6,012,950	5,850,962	6,035,792
Renaud Center	1,905,485	1,879,265	1,842,569	1,763,171	1,778,968	1,042,269	1,693,899	2,034,647	2,208,639	2,164,481
Public venue	62,860	85,024	122,533	153,488	155,987	109,231	137,585	123,081	126,901	123,441
Public training facility	-	-	-	-	-	-	-	-	-	1,000
Operating grants and contributions	-	13,279	-	-	-	-	-	-	-	-
Capital grants and contributions	497,226	321,775	244,661	642,742	250,339	1,216,568	358,121	555,403	356,681	3,530,122
Total Business-Type Activities										
Program Revenues	19,908,288	20,394,949	19,842,205	22,818,739	25,259,637	26,898,712	26,069,675	29,189,813	29,449,088	33,317,205
Total Primary Government										
Program Revenues	\$ 32,788,192	\$ 34,529,090	\$ 37,407,420	\$ 37,855,164	\$ 43,860,881	\$ 47,606,618	\$ 38,503,969	\$ 48,046,740	\$ 49,352,800	\$ 60,465,078
Net (Expense)/ Revenue										
Governmental Activities	\$ (34,063,248)	\$ (41,007,397)	\$ (44,339,525)	\$ (45,761,133)	\$ (42,227,249)	\$ (39,433,678)	\$ (47,922,514)	\$ (64,637,527)	\$ (59,007,710)	\$ (49,593,862)
Business-Type Activities	1,536,067	618,471	(125,234)	1,244,821	3,802,079	3,552,986	3,074,638	2,653,539	3,117,810	5,767,374
Total Primary Government										
Net Expense	\$ (32,527,181)	\$ (40,388,926)	\$ (44,464,759)	\$ (44,516,312)	\$ (38,425,170)	\$ (35,880,692)	\$ (44,847,876)	\$ (61,983,988)	\$ (55,889,900)	\$ (43,826,488)
General Revenues and Other										
Changes in Net Position										
Governmental Activities										
Taxes:										
Property tax	\$ 10,509,725	\$ 10,693,495	\$ 11,865,592	\$ 12,985,869	\$ 12,935,806	\$ 12,476,198	\$ 13,908,304	\$ 14,074,042	\$ 14,886,596	\$ 14,627,624
Sales tax	26,856,143	28,853,820	29,085,490	29,376,193	30,286,040	30,762,603	33,761,709	36,914,342	37,579,256	35,485,085
Use tax	-	-	-	-	-	801,612	4,490,583	6,026,399	8,136,854	7,089,981
Franchise and public service taxes	8,377,237	7,856,012	8,071,330	8,107,140	7,443,466	6,860,808	7,276,273	7,874,664	10,359,339	7,904,432
Intergovernmental revenue	-	-	-	-	-	-	-	7,774,553	-	-
Investment earnings	(15,567)	144,968	400,118	706,944	747,844	234,181	128,130	858,473	3,056,408	3,185,572
Other revenues	739,559	387,765	781,891	581,687	596,226	986,561	1,326,297	1,823,169	1,706,994	1,612,930
Transfers	(780,711)	(1,082,263)	(1,814,625)	(899,437)	(675,000)	(1,496,595)	(1,400,000)	(4,755,180)	(3,202,548)	(3,365,000)
Total Governmental Activities	45,686,386	46,853,797	48,389,796	50,858,396	51,334,382	50,625,368	59,491,296	70,590,462	72,522,899	66,540,624
Business-Type Activities										
Investment earnings	10,750	35,359	129,612	288,739	309,878	146,649	99,395	467,257	1,291,022	1,330,748
Other revenues	170,876	41,391	42,952	18,486	19,198	145,495	82,001	336	64,690	81,320
Transfers	780,711	1,082,263	1,814,625	899,437	675,000	1,496,595	1,400,000	4,755,180	3,202,548	3,365,000
Total Business-Type Activities	962,337	1,159,013	1,987,189	1,206,662	1,004,076	1,788,739	1,581,396	5,222,773	4,558,260	4,777,068
Total Primary Government	\$ 46,648,723	\$ 48,012,810	\$ 50,376,985	\$ 52,065,058	\$ 52,338,458	\$ 52,414,107	\$ 61,072,692	\$ 75,813,235	\$ 77,081,159	\$ 71,317,692
Change in Net Position										
Governmental Activities	\$ 11,623,138	\$ 5,846,400	\$ 4,050,271	\$ 5,097,263	\$ 9,107,133	\$ 11,191,690	\$ 11,568,782	\$ 5,952,935	\$ 13,515,189	\$ 16,946,762
Business-Type Activities	2,498,404	1,777,484	1,861,955	2,451,483	4,806,155	5,341,725	4,656,034	7,876,312	7,676,070	10,544,442
Total Primary Government	\$ 14,121,542	\$ 7,623,884	\$ 5,912,226	\$ 7,548,746	\$ 13,913,288	\$ 16,533,415	\$ 16,224,816	\$ 13,829,247	\$ 21,191,259	\$ 27,491,204

City of O'Fallon, Missouri
Fund Balances, Governmental Funds
Last Ten Fiscal Years
Modified Accrual Basis of Accounting

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable	\$ 378,859	\$ 1,828,230	\$ 1,343,384	\$ 1,416,794	\$ 1,170,242	\$ 1,067,314	\$ 955,157	\$ 825,876	\$ 783,215	\$ 643,795
Restricted	500,901	405,461	421,570	396,973	429,868	701,066	543,415	815,009	696,631	1,080,680
Committed	2,131,270	2,250,605	1,702,478	1,531,798	1,841,771	2,930,706	2,802,144	2,440,144	2,787,627	1,934,812
Assigned	548,444	2,066,129	252,813	336,578	1,396,891	178,227	5,159,655	4,323,979	604,205	7,098,588
Unassigned	16,024,044	14,870,731	17,662,040	18,667,149	19,668,535	22,130,333	17,990,193	23,576,611	30,993,897	32,682,393
Total General Fund	\$ 19,583,518	\$ 21,421,156	\$ 21,382,285	\$ 22,349,292	\$ 24,507,307	\$ 27,007,646	\$ 27,450,564	\$ 31,981,619	\$ 35,865,575	\$ 43,440,268
All Other Governmental Funds										
Nonspendable	\$ 91,832	\$ 104,036	\$ 125,780	\$ 140,944	\$ 113,221	\$ 63,221	\$ 64,085	\$ 65,569	\$ 76,398	\$ 72,764
Restricted	21,725,136	44,138,870	50,615,884	32,452,713	27,375,260	26,050,780	29,263,402	37,209,083	43,082,350	45,288,288
Unassigned	(628,967)	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 21,188,001	\$ 44,242,906	\$ 50,741,664	\$ 32,593,657	\$ 27,488,481	\$ 26,114,001	\$ 29,327,487	\$ 37,274,652	\$ 43,158,748	\$ 45,361,052

City of O'Fallon, Missouri
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
Modified Accrual Basis of Accounting

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Taxes	\$ 45,570,348	\$ 47,572,740	\$ 48,956,421	\$ 50,423,664	\$ 50,761,188	\$ 50,821,458	\$ 59,409,086	\$ 64,668,895	\$ 70,782,608	\$ 65,333,478
Intergovernmental	11,576,822	5,772,911	10,098,919	5,541,715	6,180,747	9,031,519	5,626,185	21,666,010	11,860,225	12,418,666
Licenses and permits	1,291,024	1,290,746	1,194,199	1,165,690	1,422,060	2,190,749	1,739,522	2,650,819	3,149,466	3,117,409
Charges for services	1,475,308	1,573,554	1,688,927	1,556,203	1,643,131	1,685,189	1,974,748	1,789,737	1,930,795	2,217,028
Fines and forfeitures	2,047,090	1,607,228	1,186,043	1,116,328	1,503,197	1,719,471	1,113,533	1,087,781	841,826	1,213,480
Investment earnings	(15,567)	144,968	400,118	706,944	747,844	234,181	128,130	840,301	3,039,022	3,169,135
Interest on leases	-	-	-	-	-	-	-	18,173	17,386	16,437
Miscellaneous	618,370	456,631	667,662	477,487	465,400	835,383	1,186,872	1,752,521	1,654,688	1,385,519
Total Revenues	62,563,395	58,418,778	64,192,289	60,988,031	62,723,567	66,517,950	71,178,076	94,474,237	93,276,016	88,871,152
Expenditures										
General government	9,495,815	9,749,570	10,407,394	11,665,271	12,400,601	12,769,303	13,004,783	14,841,019	15,203,610	14,497,715
Public safety	12,156,962	12,506,362	13,225,933	14,290,441	14,062,027	14,222,960	15,092,566	15,185,251	17,085,690	18,416,271
Highways and streets	5,314,190	5,639,899	5,597,467	5,813,275	6,291,953	5,877,050	6,204,655	6,651,202	7,146,414	7,299,103
Community development	2,478,564	2,793,618	3,001,539	2,839,216	3,014,642	2,980,806	2,999,303	3,297,514	3,770,681	4,183,253
Parks, recreation and tourism	5,216,600	5,599,364	5,767,040	5,983,145	6,272,955	5,854,127	6,522,988	7,060,796	7,374,510	8,572,974
Municipal court	439,286	445,647	374,187	388,677	364,311	390,571	442,443	456,174	539,194	608,931
Capital outlay	15,681,863	21,414,318	39,558,163	28,167,685	14,603,545	14,278,113	12,307,802	23,919,136	22,990,088	22,952,822
Debt service:										
Principal retirement	6,596,814	6,904,286	5,280,584	4,933,635	5,495,742	5,633,826	5,954,666	3,722,396	4,338,950	4,674,536
Interest	1,685,841	1,889,974	2,439,052	3,374,830	2,876,351	2,633,521	2,415,817	2,224,799	2,124,881	1,961,383
Bond issue costs	-	449,364	311,324	-	-	-	-	-	-	-
Total Expenditures	59,065,935	67,392,401	85,962,683	77,456,175	65,382,127	64,640,277	64,945,023	77,358,287	80,574,018	83,166,988
Revenues Over (Under)										
Expenditures	3,497,460	(8,973,623)	(21,770,394)	(16,468,144)	(2,658,560)	1,877,673	6,233,053	17,115,950	12,701,998	5,704,164
Other Financing Sources (Uses)										
Insurance recoveries	30,102	186,079	114,228	43,278	130,826	78,174	57,484	70,648	26,892	6,556,042
Transfers in	236,071	1,255,806	2,857,407	858,584	530,000	864,926	598,572	2,917,282	156,600	71,944
Transfers out	(1,016,782)	(2,260,941)	(4,672,032)	(1,758,021)	(1,205,000)	(2,361,521)	(1,998,572)	(7,672,462)	(3,359,148)	(3,436,944)
Leases	-	-	-	-	-	-	-	-	-	619,439
Sale of capital assets	124,446	212,536	135,111	143,303	255,573	150,162	179,000	46,802	241,710	262,352
General obligation bonds issued	-	41,645,000	20,700,000	-	-	-	-	-	-	-
Special Obligation bonds issued	-	5,475,000	7,490,000	-	-	-	-	-	-	-
Premium on bonds issued	-	3,482,013	1,718,723	-	-	-	-	-	-	-
Payment to Escrow Agent	-	(16,129,329)	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(656,264)	33,680,085	28,229,209	(756,134)	(419,427)	(829,989)	(1,163,516)	(4,708,378)	(2,933,946)	(2,483,209)
Net Change In Fund Balances	\$ 2,841,195	\$ 24,706,462	\$ 6,458,815	\$ (17,224,278)	\$ (3,077,987)	\$ 1,047,684	\$ 5,069,537	\$ 12,407,572	\$ 9,768,052	\$ 3,220,955
Debt Service as a percentage of noncapital expenditures	17.6%	17.3%	13.7%	15.1%	15.2%	15.6%	14.8%	8.6%	9.5%	9.6%

City of O'Fallon, Missouri
Program Revenues by Function/ Program
Last Ten Fiscal Years
Accrual Basis of Accounting

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Function/ Program										
Governmental Activities										
General government	\$ 1,336,025	\$ 1,162,446	\$ 1,227,390	\$ 2,437,495	\$ 4,905,823	\$ 4,378,494	\$ 1,117,774	\$ 615,375	\$ 1,175,819	\$ 5,112,005
Public safety	262,870	355,954	387,733	356,590	433,834	362,647	487,801	492,620	794,194	786,840
Highways and streets	6,623,483	8,139,699	11,758,512	8,219,006	8,398,877	10,162,301	5,759,274	12,417,101	11,366,766	12,046,279
Community development	1,686,348	1,861,883	1,952,326	1,638,999	1,953,609	3,074,611	2,312,975	3,409,932	3,829,840	3,733,955
Parks, recreation and tourism	1,275,377	1,173,410	1,108,039	1,215,558	1,341,571	986,803	1,559,064	1,396,455	1,663,882	3,974,401
Municipal court	1,695,801	1,440,749	1,131,215	1,168,777	1,567,530	1,743,050	1,197,406	525,444	1,073,211	1,494,393
Subtotal Governmental Activities	12,879,904	14,134,141	17,565,215	15,036,425	18,601,244	20,707,906	12,434,294	18,856,927	19,903,712	27,147,873
Business-Type Activities										
Water	5,432,063	5,839,613	5,892,958	6,818,601	6,844,870	7,758,551	6,987,147	7,930,534	8,512,144	8,916,137
Sewer	7,956,610	7,880,619	7,289,222	9,128,111	10,960,504	12,609,454	11,807,865	13,044,945	12,718,487	14,104,981
Environmental services	4,551,270	4,709,842	4,694,923	4,950,368	5,514,231	5,363,611	5,442,589	6,056,606	5,871,722	6,550,555
Renaud Center	1,905,485	1,879,850	1,842,569	1,768,171	1,784,045	1,057,865	1,694,489	2,034,647	2,219,834	2,164,547
Public venue	62,860	85,024	122,533	153,488	155,987	109,231	137,585	123,081	126,901	1,579,088
Public training facility	62,860	-	-	-	-	-	-	-	-	1,897
Subtotal Business-Type Activities	19,971,148	20,394,948	19,842,205	22,818,739	25,259,637	26,898,712	26,069,675	29,189,813	29,449,088	33,317,205
Total Primary Government	\$ 32,851,052	\$ 34,529,089	\$ 37,407,420	\$ 37,855,164	\$ 43,860,881	\$ 47,606,618	\$ 38,503,969	\$ 48,046,740	\$ 49,352,800	\$ 60,465,078

City of O'Fallon, Missouri
Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years
Modified Accrual Basis of Accounting

Fiscal Year		Property		Sales		Use		Franchise & Public Service		Total
2015	\$	10,336,969	\$	26,856,143	\$	-	\$	8,377,236	\$	45,570,348
2016		10,862,907		28,853,821		-		7,856,012		47,572,740
2017		11,799,601		29,085,490		-		8,071,330		48,956,421
2018		12,940,343		29,376,193		-		8,107,127		50,423,663
2019		13,031,684		30,286,038		-		7,443,466		50,761,188
2020		12,396,437		30,762,603		801,612		6,860,806		50,821,458
2021		13,880,521		33,761,709		4,490,583		7,276,273		59,409,086
2022		13,853,491		36,914,341		6,026,399		7,874,664		64,668,895
2023		14,707,158		37,579,257		8,136,854		10,359,339		70,782,608
2024		14,853,982		35,485,085		7,089,981		7,904,430		65,333,478
Change										
2015-2024		42%		40%		n/a		24%		55%

The Use Tax began in 2020 to be used for police and streets expenditures

City of O'Fallon, Missouri
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Property	Personal Property	Railroad & Utility	Total Assessed Value	Total Direct Tax Rate	Total Estimated Actual Value
2015	\$ 1,325,309,114	\$ 286,646,872	\$ 26,159,704	\$ 1,638,115,690	0.5846	\$ 7,284,798,818
2016	1,350,464,041	298,136,072	24,454,933	1,673,055,046	0.6046	7,442,486,976
2017	1,499,539,903	308,813,420	24,439,052	1,832,792,375	0.5877	8,217,944,272
2018	1,526,302,851	320,435,974	22,206,561	1,868,945,386	0.5959	8,374,500,148
2019	1,707,997,686	330,359,631	23,542,056	2,061,899,373	0.5562	9,283,312,626
2020	1,756,595,364	359,168,705	24,571,532	2,140,335,601	0.5162	9,582,911,947
2021	1,910,288,670	418,404,480	25,462,236	2,354,155,386	0.4899	10,565,602,498
2022	1,948,582,710	504,454,067	26,560,022	2,479,596,799	0.4800	11,021,334,283
2023	2,371,218,850	513,415,396	33,924,832	2,918,559,078	0.4459	13,226,196,624
2024	2,419,810,882	514,790,880	34,634,673	2,969,236,435	0.4400	13,458,799,950

Source: St. Charles County Assessor

Reassessments are currently performed every odd-numbered year. Residential property assessed valuation equals 19% of appraised value, agricultural equals 12%, and commercial and industrial equals 32%. Personal property is valued as one-third of the properties' market value.

City of O'Fallon, Missouri
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
Rate per \$1,000 of Assessed Value

Taxing Authority	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City of O'Fallon (1)										
General	\$ 0.2909	\$ 0.2909	\$ 0.3212	\$ 0.3212	\$ 0.3354	\$ 0.3354	\$ 0.3551	\$ 0.3269	\$ 0.3438	\$ 0.3438
Debt	0.1491	0.1550	0.1588	0.1687	0.1808	0.2208	0.2408	0.2608	0.2608	0.2408
Total City of O'Fallon	0.4400	0.4459	0.4800	0.4899	0.5162	0.5562	0.5959	0.5877	0.6046	0.5846
State of Missouri	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
St. Charles County Road and Bridge	0.1743	0.1743	0.1924	0.1988	0.2080	0.1781	0.1879	0.1879	0.1962	0.1962
Fort Zumwalt School District (2)	4.2346	4.2346	4.5894	4.5894	4.8437	4.8506	5.0517	5.0467	5.2465	4.7446
St. Charles County Library District	0.1728	0.1728	0.1908	0.1908	0.1996	0.1996	0.2106	0.2106	0.2200	0.2200
O'Fallon Fire Protection District	0.8532	0.8499	0.9426	0.9300	0.8606	0.8606	0.9144	0.9144	0.6664	0.6665
St. Charles County Handicapped	0.1108	0.1108	0.1223	0.1223	0.1279	0.1279	0.1350	0.1350	0.1410	0.1410
St. Charles County Ambulance	0.3273	0.3273	0.2573	0.2573	0.2595	0.2595	0.2716	0.2394	0.2619	0.2619
St. Charles County Alarm and Dispatch	0.0335	0.0335	0.0370	0.0382	0.0400	0.0400	0.0422	0.0422	0.0441	0.0378
St. Charles County Community College	0.1676	0.1676	0.1902	0.1908	0.2019	0.2019	0.2116	0.2116	0.2240	0.2140
Total	\$ 6.5441	\$ 6.5467	\$ 7.0320	\$ 7.0375	\$ 7.2874	\$ 7.3044	\$ 7.6509	\$ 7.6055	\$ 7.6347	\$ 7.0966

(1) City tax rate includes general operating and debt service levy.

(2) The City lies within three public school districts. Fort Zumwalt School District is reported for information purposes since it claims the largest portion of the City.

Source: St. Charles County Assessor

**City of O'Fallon, Missouri
Sales Tax by Year
Last Ten Fiscal Years**

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General 1% city sales tax	\$ 18,364,850	\$ 16,794,560	\$ 16,778,656	\$ 15,312,637	\$ 14,053,727	\$ 13,759,559	\$ 13,321,258	\$ 13,159,786	\$ 13,051,523	\$ 12,090,369
Transportation 0.5% city sales tax	8,363,516	7,874,289	7,918,811	7,318,829	6,640,321	6,489,633	6,278,645	6,222,500	6,178,070	5,698,315
State motor fuel tax	- *	4,664,986	3,932,619	3,462,934	3,109,198	3,239,198	3,200,068	3,202,455	3,166,328	3,108,935
Parks tax 0.5%	8,363,449	7,874,184	7,918,810	7,318,715	6,640,047	6,497,381	6,278,651	6,221,268	6,178,062	5,695,955
Regional parks sales tax	393,270	371,238	365,445	348,594	319,310	300,267	297,571	279,481	279,838	262,569
Total	\$ 35,485,085	\$ 37,579,257	\$ 36,914,341	\$ 33,761,709	\$ 30,762,603	\$ 30,286,038	\$ 29,376,193	\$ 29,085,490	\$ 28,853,821	\$ 26,856,143

City direct sales tax rate is 2.0% = 1% for general, 0.5% for transportation and 0.5% for parks

*State motor fuel tax was moved to intergovernmental revenue in 2024.

**City of O'Fallon, Missouri
Principal Property Tax Payers
Current Year and Nine Years Ago**

Taxpayer	2024			2015		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Mastercard Intl Tax	\$ 78,113,526	1	2.63 %	\$ 7,354,085	5	0.45 %
Three T Partnership/True Manufacturing	31,345,149	2	1.06	21,667,637	1	1.32
MEMC LLC	18,500,190	3	0.62	13,959,187	2	0.85
Centene Data Center	17,891,296	4	0.60	-		-
Citi Mortgage	15,205,583	5	0.51	9,048,024	3	0.55
Avenue 64 Apartments	9,436,182	6	0.32	-		-
Prairie Point Apartments	7,929,041	7	0.27	-		-
Darlington Enclave at Winghaven	7,827,208	8	0.26	5,221,086	7	0.32
Aldi, Inc	6,685,024	9	0.23	5,367,787	6	0.33
Garden Villas of O'Fallon/Delmar Gardens	6,009,515	10	0.20	9,017,909	4	0.55
DP II LLC (Caplaco Five, Inc)	-		-	5,156,315	8	0.31
IBM	-		-	5,070,333	9	0.31
American Power Conversion Corp	-		-	4,778,040	10	0.29
Total	\$ 198,942,714		6.70 %	\$ 86,640,403		5.29 %

Source: St. Charles County Assessor

City of O'Fallon, Missouri
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year		Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collection to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$	9,377,002	\$ 5,986,254	63.84 %	\$ 3,015,263	\$ 9,001,517	96.00 %
2016		9,904,496	5,661,198	57.16	3,027,683	8,688,881	87.73
2017		10,546,703	5,790,906	54.91	3,941,846	9,732,752	92.28
2018		10,904,623	6,525,067	59.84	4,187,344	10,712,411	98.24
2019		11,228,891	6,747,782	60.09	4,118,580	10,866,362	96.77
2020		10,817,791	6,891,974	63.71	3,651,147	10,543,121	97.46
2021		11,292,186	7,139,872	63.23	3,574,370	10,714,242	94.88
2022		11,653,524	6,316,599	54.20	4,814,523	11,131,122	95.52
2023		12,742,228	7,296,034	57.26	4,969,177	12,265,211	96.26
2024		12,791,959	7,633,669	59.68	4,563,096	12,196,765	95.35

Source: St. Charles County Assessor

City of O'Fallon, Missouri
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities							Business-Type Activities				Total Primary Government	Percentage of personal income	Per Capita
	Finance Purchase	Lease Payable	Subscription Payable	MODOT SIB Loan	General Obligation Bonds	Special Obligation Bonds	Certificates of Participation	Finance Purchase	Subscription Payable	Special Obligation Bonds	Certificates of Participation			
2015	\$ 2,737	\$ -	\$ -	\$ 2,212,088	\$ 18,095,762	\$ 13,481,923	\$ 5,245,129	\$ 244,833	\$ -	\$ 32,850,855	\$ 8,090,704	\$ 80,224,031	3 %	939
2016	805	-	-	1,920,802	44,720,019	15,599,693	4,032,147	81,158	-	29,650,550	6,764,742	102,769,916	3	1,189
2017	-	-	-	1,621,518	63,918,035	22,151,031	2,755,865	66,543	-	38,592,106	2,034,768	131,139,866	4	1,501
2018	-	-	-	1,314,183	61,790,068	20,506,402	1,414,582	1,465,411	-	36,245,349	1,045,734	123,781,729	4	1,407
2019	-	-	-	998,041	59,306,894	18,816,777	-	1,407,315	-	33,963,135	-	114,492,162	3	1,292
2020	491,387	-	-	674,022	56,740,319	15,712,401	-	1,258,464	-	62,370,082	-	137,246,675	4	1,526
2021	390,365	-	-	341,178	54,028,744	12,526,526	-	1,126,600	-	58,058,082	-	126,471,495	4	1,406
2022	-	891,896	-	-	51,222,170	11,896,684	-	1,058,262	-	53,970,710	-	119,039,722	3	1,271
2023	-	610,609	1,276,125	-	48,270,595	10,892,219	-	918,699	490,014	49,965,275	-	112,423,536	3	1,195
2024	-	724,603	862,034	-	45,199,020	9,847,755	-	774,139	306,644	60,068,805	-	117,783,000	3	1,233

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

City of O'Fallon, Missouri
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total		
2015	\$ 18,095,762	\$ 3,100,000	\$ 14,995,762	0.92	211.90
2016	44,720,019	2,180,000	42,540,019	2.54	517.51
2017	63,918,035	1,710,000	62,208,035	3.39	731.80
2018	61,790,068	2,145,000	59,645,068	3.19	702.14
2019	59,306,894	2,255,000	57,051,894	2.77	669.22
2020	56,740,319	2,400,000	54,340,319	2.54	630.85
2021	54,028,744	2,495,000	51,533,744	2.19	591.67
2022	51,222,170	2,640,000	48,582,170	1.96	546.95
2023	48,270,595	2,760,000	45,510,595	1.56	513.11
2024	45,199,020	2,945,000	42,254,020	1.42	473.26

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

City of O'Fallon, Missouri
Direct and Overlapping Governmental Activities Debt
As of December 31, 2024

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
St. Charles County Ambulance	\$ 57,205,000	21.68 %	\$ 12,402,044
St. Charles Community College	32,100,000	21.80	6,997,800
Fort Zumwalt School District	143,675,000	51.46	73,935,155
Francis Howell School District	286,410,000	7.43	21,280,263
Wentzville School District	268,846,049	20.20	54,306,902
Central County Fire Protection District	27,025,000	2.57	694,543
Cottleville Fire Protection District	13,910,000	16.37	2,277,067
Lake St Louis Fire Protection District	4,805,000	0.89	42,765
New Melle Fire Protection District	12,350,000	14.16	1,748,760
O'Fallon Fire Protection District	13,910,000	74.27	10,330,957
Wentzville Fire Protection District	29,150,000	21.56	6,284,740
Subtotal, overlapping debt			190,300,995
City Direct Debt			56,633,412
Total Direct And Overlapping Debt			\$ 246,934,407

Sources: Assessed value data used to estimate applicable percentages provided by the St. Charles County Assessor. Debt outstanding data provided by each governmental unit.

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

City of O'Fallon, Missouri
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Assessed Valuation	\$ 1,638,115,690	\$ 1,673,055,046	\$ 1,832,792,375	\$ 1,868,945,386	\$ 2,061,899,373	\$ 2,140,335,601	\$ 2,354,155,386	\$ 2,479,596,799	\$ 2,918,559,078	\$ 2,969,236,435
Debt limit	\$ 163,811,569	\$ 167,305,504	\$ 183,279,238	\$ 186,894,539	\$ 206,189,937	\$ 214,033,560	\$ 235,415,539	\$ 247,959,680	\$ 291,855,908	\$ 296,923,644
Amount of debt applicable to debt limit:										
Total general obligation bonded debt	17,950,000	41,645,000	60,165,000	58,455,000	56,310,000	54,055,000	51,655,000	49,160,000	46,520,000	43,760,000
Less: Amount available in Debt										
Service Fund	5,330,808	5,728,687	7,141,675	7,733,679	8,339,231	8,216,308	7,861,697	7,477,417	7,772,282	8,012,748
Bond indebtedness applicable to debt limi	12,619,192	35,916,313	53,023,325	50,721,321	47,970,769	45,838,692	43,793,303	41,682,583	38,747,718	35,747,252
Legal Debt Margin	\$ 151,192,377	\$ 131,389,191	\$ 130,255,913	\$ 136,173,218	\$ 158,219,168	\$ 168,194,868	\$ 191,622,236	\$ 206,277,097	\$ 253,108,190	\$ 261,176,392
Total net debt applicable to the limit as a percentage of debt limit	7.70%	21.47%	28.93%	27.14%	23.27%	21.42%	19.88%	16.81%	13.28%	12.04%

Note: Under state finance law, the City's outstanding general obligation debt should not exceed 10 percent of total assessed property value.

**City of O'Fallon, Missouri
Pledged-Revenue Coverage
Last Ten Fiscal Years**

Fiscal Year	Water & Sewer Revenue Bonds											
	Utility		Less		Net		Debt Service		Coverage			
	Service		Operating		Available		Principal	Interest				
Year	Charges		Expenses		Revenue							
2015	\$	12,925,101	\$	5,883,817	\$	7,041,284	\$	3,585,000	\$	1,626,939	1.35	%
2016		13,436,174		6,224,013		7,212,161		3,765,000		1,451,758	1.38	
2017		13,119,348		6,706,925		6,412,423		3,700,000		1,415,018	1.25	
2018		15,792,519		8,019,502		7,773,017		3,070,000		1,335,893	1.76	
2019		17,963,162		7,948,330		10,014,832		3,110,000		1,203,809	2.32	
2020		19,324,328		8,810,275		10,514,053		2,497,000		1,241,367	2.81	
2021		18,526,747		8,081,588		10,445,159		3,725,600		1,597,429	1.96	
2022		19,851,914	*	11,133,341		8,718,573		3,615,000		1,551,041	1.69	
2023		21,891,961		10,819,385		11,072,576		3,575,000		1,437,950	2.21	
2024		22,325,643		11,363,010		10,962,633		3,690,000		1,327,050	2.19	

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
Operating expenses do not include interest, depreciation or amortization expense.

* 2022 included a prior period adjustment for unbilled sales at year-end equaling \$635,984.

City of O'Fallon, Missouri
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	Educational Attainment		School Enrollment	Unemployment Rate
					% High School Graduate Or Higher	% Bachelor's Degree Or Higher		
2015	85,397	\$ 2,717,844,922	\$ 31,826	37.7	94.4 %	37.5 %	18,159	3.5 %
2016	86,414	2,959,852,328	34,252	37.7	94.4	37.5	18,002	3.2
2017	87,344	3,091,191,504	35,391	37.7	94.4	37.5	17,985	2.8
2018	88,003	3,230,766,136	36,712	37.7	94.4	37.5	17,800	2.5
2019	88,621	3,468,271,456	39,136	36.8	94.4	37.5	18,062	2.4
2020	89,942	3,612,970,140	40,170	37.2	94.4	37.5	17,518	5.2
2021	91,316	3,602,507,516	39,451	37.2	95.4	42.4	17,089	2.5
2022	93,651	3,764,114,643	40,193	35.8	95.4	42.4	17,061	2.6
2023	94,074	4,321,571,412	45,938	35.8	95.4	42.4	17,296	2.3
2024	95,505	4,547,757,090	47,618	38.7	95.4	42.4	16,829	2.8

Note: Per Capital Personal Income, Median Age, and Unemployment figures are reported from the Economic Development Department, City of O'Fallon, MO.

School enrollment for 2024 is based on Fort Zumwalt School enrollment for the 2023-2024 school year. Educational Attainment is based on the U.S. Census Bureau from 2020.

2024 population is from the US Census Bureau Quick Facts estimated as of July 1, 2024.

City of O'Fallon, Missouri
Principal Employers
Current Year and Nine Years Ago

Employer	2024			2015		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
MasterCard Intl.	3,450	1	6.32 %	1,960	3	4.62 %
True Manufacturing	N/A*	2	N/A*	N/A*	4	N/A*
Citigroup	2,001	3	3.67	3,800	1	8.96
Carshield (NRRM)	653	4	1.20	-		-
SAK Construction	502	5	0.92	-		-
Wal-mart	441	6	0.81	-		-
Progresss West HealthCare Center	424	7	0.78	396	9	0.93
MEMC	370	8	0.68	550	7	1.30
Aldi	330	9	0.60	-		-
Delmar Gardens of O'Fallon, LLC	227	10	0.42	-		-
Fort Zumwalt School District**	-		-	2,006	2	4.73
City of O'Fallon	-		-	703	5	1.66
Firemen's Fund Insurance Company	-		-	624	6	1.47
Wentzville School District**	-		-	421	8	0.99
Synergetics, USA, Inc.	-		-	375	10	0.88
	8,398		15.39 %	10,835		25.54 %

Source: Economic Development Department, City of O'Fallon, MO and Bureau of Labor Statistics
Labor Force, December 2024 = 54,558

* Business requested actual number not be published. They fall as the 2nd largest employer in the City in 2024 and the 4th largest employer in 2015.

** Beginning with 2020, only private sector employers are reported.

City of O'Fallon, Missouri
Full-Time Equivalent City Government Employees by Function/ Program
Last Ten Fiscal Years

Function/ Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Administration Department	9.00	9.00	9.00	10.00	10.00	10.00	10.00	10.00	10.00	10.60
Human Resources Department										
Human resources	5.25	5.25	6.00	6.00	6.00	6.00	6.00	6.00	5.50	5.50
Volunteer services	2.45	2.45	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Communications Department										
Communications	5.60	5.60	5.50	5.50	5.50	5.50	5.25	5.25	10.25	10.25
Public relations	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	-	-
Economic Development Department	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00
Engineering Department										
Engineering	12.75	12.75	14.00	14.00	14.00	12.00	13.25	15.75	16.50	19.50
Project management	7.50	7.25	9.50	9.50	9.50	9.50	9.10	9.10	10.00	10.00
Finance Department										
Finance	15.00	15.00	16.00	16.00	16.00	16.00	17.00	17.00	18.00	18.00
Fleet maintenance	7.00	7.00	7.00	7.00	7.00	7.75	7.75	7.75	8.75	8.75
Information Technologies	4.00	4.00	5.00	5.00	5.00	6.00	6.00	7.00	8.00	8.00
Municipal court	6.25	6.25	6.25	5.25	5.25	5.25	6.25	6.25	6.75	6.75
Parks and Recreational Department										
Facilities maintenance	11.60	11.60	14.60	14.60	14.60	14.60	14.60	14.60	14.50	14.50
Landscaping	8.00	8.00	8.00	8.00	8.00	12.50	12.50	12.50	11.85	11.85
Parks	23.25	23.25	24.25	28.25	29.00	30.00	30.00	30.00	30.00	31.00
Recreation	25.00	26.50	26.50	26.50	33.00	33.50	33.50	33.50	33.50	33.50
Renaud Center Fund	36.40	36.40	36.40	36.40	32.50	32.50	32.50	32.50	32.50	32.50
Tourism and festivals	3.60	3.60	3.60	3.85	3.85	3.85	3.85	3.85	3.85	3.85
Planning & Development Department										
Building & Code Enforcement	13.00	13.00	13.00	13.00	13.00	14.00	14.50	15.00	15.00	16.00
Planning & GIS	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Police Department	156.60	156.60	156.60	157.35	157.00	157.00	159.00	163.50	166.00	170.00
Public Works Department										
Environmental Services	26.00	26.75	27.00	27.00	27.50	27.50	28.50	30.50	30.00	30.00
Sewer System	16.00	17.00	19.00	19.75	20.00	19.00	20.00	21.00	21.25	23.25
Sewer Lateral/Water Ins Line	n/a	n/a	n/a	n/a	n/a	5.00	5.00	7.00	7.00	7.00
Storm Water	6.00	6.25	6.25	8.25	8.25	8.25	7.25	7.25	7.25	7.25
Streets	34.75	34.75	34.00	35.00	35.00	35.00	35.00	39.50	38.00	38.00
Water System	16.00	19.00	20.00	26.75	26.00	26.00	30.00	33.00	33.25	33.25
Total	466.00	472.25	485.45	500.95	503.95	514.70	525.80	546.80	552.70	564.30

Source: Finance Department

City of O'Fallon, Missouri
Operating Indicators by Function/ Program
Last Ten Fiscal Years

Function/ Program	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Policemen and Officers	118	118	118	118	118	118	120	121	121	125
Transit										
Miles of Streets	307	307	414	418	423	425	433	437	438	444
Municipal Water Department										
Number of Households/Dwellings	12,146	12,350	12,410	12,590	12,887	13,125	13,238	13,278	13,315	13,358
Average Daily Consumption	3.48 M gal/day	3.50 M gal/day	3.50 M gal/day	3.50 M gal/day	3.50 M gal/day	3.50 M gal/day	3.66 M gal/day	3.02 M gal/day	3.02 M gal/day	3.02 M gal/day
Miles of Water Mains	174	174	174	174	174	191	191	189	189	189
Building										
Residential Building Permits Issued	434	437	245	309	403	425	357	307	314	360
Commercial Building Permits Issued	244	193	253	324	265	245	262	265	256	310
Recreation and Culture										
Park Acreage	453	453	453	434	434	434	434	433	433	433
City of O'Fallon Employees										
Permanent Full-Time	413	421	436	442	448	451	466	467	487	490
Part-Time and Seasonal	290	300	273	294	300	305	317	300	300	300

Source: Various City Departments

City of O'Fallon, Missouri
Capital Asset Statistics by Function/ Program
Last Ten Fiscal Years

Function/ Program	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Patrol Vehicles	35	35	35	35	37	38	43	51	51	65
Patrol Motorcycles (started reporting in 2012)	3	2	2	2	3	3	4	4	4	4
Communications										
Programs Produced	294	288	288	340	318	290	312	264	294	281
Streets										
Square Yards of Concrete Replaced	19,000	18,844	18,400	21,500	15,900	15,978	16,272	9,594	9,398	12,468
Tons of Asphalt Replaced	797	904	434	264	310	363	259	308	359	355
Miles of Street Swept	6,075	2,575	2,052	2,300	1,951	1,744	899	899	2,719	2,716
Municipal Water Department										
Power Consumption Dollars/Million Gallon Pumped	\$ 332	\$ 321	\$ 326	\$ 351	\$ 344	\$ 337	\$ 340	\$ 337	\$ 369	\$ 405
Salt Consumption/Million Gallon Pumped	0.63	0.66	0.62	0.57	0.59	0.59	0.52	0.62	0.44	0.46
Chlorine Consumption mg/C/Finished Water Pumped	3.0	2.6	2.5	2.9	2.9	2.6	3.1	3.1	2.9	3.2
Wastewater										
Biosolids Treatment Facility (Nature's Bend Fertilizer	1	1	1	1	1	1	1	1	1	1
Power Consumption Dollars/Million Gallon Treated	\$ 113	\$ 108	\$ 210	\$ 205	\$ 187	\$ 162	\$ 108	\$ 126	\$ 126	\$ 128
Line Cleaning 225 miles/3 years = 75	70.0	68.0	49.3	68.9	45.1	21.7	25.0	25.0	45.0	51.6
Recreation and Culture										
Pools	2	2	2	2	2	2	2	2	2	2
Senior Center	1	1	1	1	1	1	1	1	1	1
Baseball Stadium	1	1	1	1	1	1	1	1	1	1
Cultural Art Center	1	1	1	1	1	1	1	1	1	1
Recreation Centers	1	1	1	1	1	1	1	1	1	1
Environmental Services										
Transfer Station	1	1	1	1	1	1	1	1	1	1
Trash/Recycling trucks	19	19	19	19	20	21	22	22	22	23

Source: Various City Departments

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APPENDIX C

SUMMARY OF THE BOND ORDINANCE AND FORM OF THE CONTINUING DISCLOSURE UNDERTAKING

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**SUMMARY OF THE BOND ORDINANCE
AND FORM OF THE CONTINUING DISCLOSURE UNDERTAKING**

SUMMARY OF THE BOND ORDINANCE

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

Definitions

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

“Bond Counsel” means Gilmore & Bell, P.C., St. Louis, Missouri, or other attorney or firm of attorneys with a nationally recognized standing in the field of municipal bond financing selected by the City.

“Bond Payment Date” means any date on which principal or Redemption Price of or interest on any Bond is payable.

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

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

“Bonds” means, collectively, the Series 2025A Bonds and the Series 2025B Bonds, authorized and issued by the City pursuant to the Bond Ordinance.

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

“Cede & Co.” means Cede & Co., the nominee of the Securities Depository, and any successor nominee of the Securities Depository with respect to the Bonds.

“City” means the City of O’Fallon, Missouri, and any successors or assigns.

“Code” means the Internal Revenue Code of 1986, as amended, and the applicable regulations of the Treasury Department proposed or promulgated thereunder.

“Continuing Disclosure Undertaking” means the Continuing Disclosure Undertaking dated as of December 1, 2025, delivered by the City.

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

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

“Defeasance Obligations” means any of the following obligations, if and to the extent the same are at the time legal for investment of the City’s funds:

(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 (A) not subject to redemption prior to maturity or (B) 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 serving as security for the 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 serving as security for the obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and

(6) the obligations are rated by a nationally-recognized rating service in the same rating category or higher as United States Government Obligations.

“Federal Tax Certificate” means the Federal Tax Certificate relating to the Bonds, delivered by the City, as the same may be amended or supplemented in accordance with the provisions thereof.

“Fiscal Year” means the fiscal year of the City, currently January 1 to December 31.

“Interest Payment Date” means the Stated Maturity of an installment of interest on any Bond.

“Maturity” when used with respect to any Bond means the date on which the principal of such Bond becomes due and payable as therein and provided in the Bond Ordinance, whether at the Stated Maturity thereof or by call for redemption or otherwise.

“Outstanding,” when used with reference to Bonds, means, as of any particular date of determination, all Bonds theretofore issued and delivered under the Bond 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 Bond Ordinance; and

(c) Bonds in exchange for or in lieu of which other Bonds have been registered and delivered under the Bond Ordinance.

“Participant” means any broker-dealer, bank or other financial institution for which the Securities Depository holds Bonds as securities depository.

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

“Permitted Investments” means any legally permissible investment of the City’s funds.

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

“Project” means, collectively, the Series 2025A Project and the Series 2025B Project.

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

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

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

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

“Securities Depository” means The Depository Trust Company, New York, New York.

“Series 2025A Bonds” means the Special Obligation Bonds, Series 2025A, authorized and issued by the City pursuant to the Bond Ordinance.

“Series 2025A Project” means acquiring, constructing, furnishing and equipping the City’s public works facility and the Ozzie Smith Sports Complex.

“Series 2025B Bonds” means the Special Obligation Bonds, Series 2025B, authorized and issued by the City pursuant to the Bond Ordinance.

“Series 2025B Project” means acquiring, constructing, furnishing and equipping the City’s police training facility.

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

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

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

Establishment of Funds

There have been or shall be established in the treasury of the City and shall be held and administered by the Finance Director of the City the following separate funds and account:

- (a) Debt Service Fund and within such fund, a Series 2025A Account and a Series 2025B Account.
- (b) Project Fund and within such fund, a Series 2025A Account and a Series 2025B Account.
- (c) Rebate Fund.

Application of Moneys in the Project Fund

Money in the Series 2025A Account of the Project Fund shall be used by the City solely for the purpose of (a) paying the costs of the Series 2025A Project in accordance with the plans and specifications therefor prepared by the City's architects or engineers, and (b) paying the costs and expenses of issuing the Series 2025A Bonds. Money in the Series 2025B Account of the Project Fund shall be used by the City solely for the purpose of (i) paying the costs of the Series 2025B Project in accordance with the plans and specifications therefor prepared by the City's architects or engineers, and (ii) paying the costs and expenses of issuing the Series 2025B Bonds.

Upon completion of the purpose for which the Series 2025A Bonds have been issued, any surplus remaining in the Series 2025A Account of the Project Fund shall be transferred to and deposited in the Series 2025A Account of the Debt Service Fund. Upon completion of the purpose for which the Series 2025B Bonds have been issued, any surplus remaining in the Series 2025B Account of the Project Fund shall be transferred to and deposited in the Series 2025B Account of the Debt Service Fund.

Application of Moneys in the Debt Service Fund.

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

Any moneys or investments remaining in the Debt Service Fund after the retirement of the Bonds shall be transferred and paid into the general fund of the City.

Payments Due on Saturdays, Sundays and Holidays

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

Nonpresentment of Bonds

If any Bond is not presented for payment when the principal thereof becomes due at Maturity, and if funds sufficient to pay such Bond have been made available to the Paying Agent, then all liability of the City to the Registered Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the Registered Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under the Bond Ordinance or on, or with respect to, said Bond. If any Bond is not presented for payment within one year following the date when such Bond becomes due at Maturity, the Paying Agent shall repay to the City 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 created by and referred to in the Bond Ordinance shall be deposited in a bank or banks or other legally permitted financial institutions located in the State of Missouri that are members of the Federal Deposit Insurance Corporation. All such deposits shall be continuously and adequately secured by the financial institutions holding such deposits as provided by the laws of the State of Missouri. All moneys held in the funds created by the Bond Ordinance shall be kept separate and apart from all other funds of the City so that there is no commingling of such funds with any other funds of the City.

Moneys held in any fund referred to in the Bond Ordinance may be invested by the City's Finance Director in accordance with the investment policy of the City, as such policy may be amended from time to time, in accordance with the Bond Ordinance and the Federal Tax Certificate in Permitted Investments; provided, however, that no such investment shall be made for a period extending longer than to the date when the moneys invested may be needed for the purpose for which such fund was created. All earnings on any investments held in any fund shall accrue to and become a part of such fund.

Insurance

The City will carry and maintain fire and extended coverage insurance, either commercial or self-insured, upon all of the properties that constitute a part of the Project, insofar as the same are or shall be of an insurable nature. Such insurance will be in an amount at least equal to the lesser of (a) the amount of the Bonds then Outstanding or (b) the replacement cost thereof. 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. If reconstruction or replacement is unnecessary, the City will pay and deposit the proceeds of such insurance into the Debt Service Fund.

Annual Audit

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

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

Tax Covenants

The City covenants and agrees to comply with all provisions and requirements of the Federal Tax Certificate, which is approved by the Bond Ordinance, with such changes therein as shall be approved by the Mayor and the Finance Director, which officers are authorized by the Bond Ordinance to execute the Federal Tax Certificate for and on behalf of the City, such officers' signatures thereon being conclusive evidence of their approval thereof.

No Acceleration

The Bonds are not subject to acceleration upon the occurrence of an event of default.

Other Remedies

The provisions of the Bond Ordinance, including the covenants and agreements contained therein, 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 may, for the equal benefit and protection of all Registered Owners of Bonds similarly situated:

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

Limitation on Rights of Bondowners

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 the Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the funds in the Bond Ordinance 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 or right of prior redemption as provided in the Bond Ordinance. No one or more Bondowners secured by the Bond Ordinance shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for in the Bond Ordinance, or to enforce any right under the Bond Ordinance, except in the manner provided in the Bond Ordinance, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Registered Owners of such Outstanding Bonds.

No Obligation to Levy Taxes

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

Defeasance

When any or all of the Bonds or scheduled interest payments thereon have been paid and discharged, then the requirements contained in the Bond Ordinance and all other rights granted by the Bond Ordinance shall terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Bonds or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of the Bond Ordinance if there has been deposited with the Paying Agent, or other commercial bank or trust company 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, money and/or Defeasance Obligations which, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal of and redemption premium, if any, on said Bonds and interest accrued to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of the tender of such payments; provided, however, that if any such Bonds are to be redeemed prior to their Stated Maturity, (1) the City has elected to redeem such Bonds and (2) either notice of such redemption has been given or the City has given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Paying Agent to give such notice of redemption in compliance with the Bond Ordinance.

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 and are 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 money shall be and is irrevocably appropriated to the payment and discharge thereof. All money 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 the provisions of the Bond Ordinance.

Amendments

The Continuing Disclosure Undertaking is exempt from the provisions of this Section and is subject to amendment and modification only as provided therein.

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

- (a) extend the maturity of any payment of principal or interest due upon any Bond;
- (b) Alter the optional Redemption Date of any Bond;
- (c) effect a reduction in the amount that the City is required to pay as principal of or interest on any Bond;
- (d) permit preference or priority of any Bond over any other Bond; or

(e) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of the Bond Ordinance.

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

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

Every amendment or modification of the provisions of the Bonds or of the Bond Ordinance, to which the written consent of the Bondowners is given, as above provided, shall be expressed in an ordinance adopted by the City Council amending or supplementing the provisions of the Bond Ordinance and shall be deemed to be a part of the Bond Ordinance. A certified copy of every such amendatory or supplemental ordinance, if any, and a certified copy of the Bond Ordinance shall always be kept on file in the office of the City Clerk, and 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 Bond Ordinance, and upon payment of the reasonable cost of preparing the same, a certified copy of any such amendatory or supplemental ordinance or of the Bond Ordinance will be sent by the City Clerk to any such Registered Owner or prospective Bondowner.

Any and all modifications made in the manner provided in the Bond Ordinance shall not become effective until there has been filed with the City Clerk a copy of the ordinance of the City, 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.

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

* * *

FORM OF THE CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated as of _____, 2025 (this “*Undertaking*”) is executed and delivered by the **CITY OF O’FALLON, MISSOURI** (the “*Issuer*”).

RECITALS

1. This Undertaking is executed and delivered by the Issuer in connection with the issuance by the Issuer of **\$30,060,000* Special Obligation Bonds, Series 2025A and \$23,735,000* Special Obligation Bonds, Series 2025B** (collectively, the “*Bonds*”), pursuant to an ordinance adopted by the governing body of the Issuer on November 20, 2025 (the “*Ordinance*”).

2. The Issuer is entering into this Undertaking for the benefit of the Beneficial Owners (defined herein) of the Bonds and to assist the Participating Underwriter (defined herein) in complying with Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “*Rule*”). The Issuer is the only “obligated person” (as defined by the Rule) with responsibility for continuing disclosure hereunder.

In consideration of the foregoing, the Issuer covenants and agrees as follows:

Section 1. Definitions.

In addition to the definitions set forth in the Ordinance, which apply to any capitalized term used in this Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“*Annual Report*” means any Annual Report filed by the Issuer pursuant to, and as described in, **Section 2** hereof.

“*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 corporate trust office or designated payment office of the trustee, any paying agent or the Dissemination Agent, as applicable, 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 Issuer to serve as dissemination agent pursuant to this Undertaking and which has filed with the Issuer 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

* Preliminary; subject to change.

municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Fiscal Year” means the **12-month** period beginning on **January 1** and ending on **December 31** or any other **12-month** period selected by the Issuer as its Fiscal Year for financial reporting purposes.

“Material Events” means any of the events listed in **Section 3** hereof.

“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 Issuer shall, not later than **180** days after the end of the Issuer’s Fiscal Year, commencing with the Fiscal Year ending December 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 Issuer for the prior Fiscal Year prepared in accordance with the accounting principles described in the notes to the financial statements included as **Appendix A** to the final Official Statement for the Bonds and audited by its independent auditors. If audited financial statements are not available by the time the Annual Report is required to be filed pursuant to this Section, the Annual Report shall contain unaudited financial statements in a format similar to the audited financial information contained in the final Official Statement relating to the Bonds, and the audited financial statements shall be filed 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 related to the Bonds, as described in **Exhibit A** hereto, with such modifications to the formatting and general presentation thereof as deemed appropriate by the Issuer; provided, any substantive change to information provided shall be effected only in accordance with **Section 6** hereof.

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 Issuer is an “obligated person” (as defined by the Rule), which have been filed with 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 Issuer shall clearly identify each such other document so included by reference.

In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in this Section; provided that the audited financial statements of the Issuer 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 Issuer’s Fiscal Year changes, it shall give notice of such change in the same manner as for a Material Event under **Section 3** hereof.

- (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.

No later than **10** Business Days after the occurrence of any of the following events, the Issuer 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”*):

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) 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;
- (g) modifications to rights of bondholders, if material;
- (h) bond calls, if material, and tender offers;
- (i) defeasances;
- (j) release, substitution or sale of property securing repayment of the Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Issuer (which shall be deemed to occur as provided in the Rule);
- (m) the consummation of a merger, consolidation or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, 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;
- (n) appointment of a successor or additional trustee or the change of name of the trustee, if material;
- (o) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

If the Issuer has not submitted the Annual Report to the MSRB by the date required in **Section 2(a)** hereof, the Issuer shall send a notice to the MSRB of the failure of the Issuer to file on a timely basis the Annual Report, which notice shall be given by the Issuer in accordance with this **Section 3**.

Section 4. Termination of Reporting Obligation.

The Issuer’s obligations under this Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the Issuer’s obligations under this Undertaking are assumed in full by some other entity, such entity shall be responsible for compliance with this Undertaking in the same manner as if it were the Issuer, and the Issuer shall have no further responsibility hereunder. If such assumption occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such assumption in the same manner as for a Material Event under **Section 3** hereof.

Section 5. Dissemination Agent.

The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Undertaking and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign as dissemination agent

hereunder at any time upon **30** days prior written notice to the Issuer. 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 Issuer pursuant to this Undertaking.

Section 6. Amendment; Waiver.

Notwithstanding any other provision of this Undertaking, the Issuer may amend this Undertaking and any provision of this Undertaking may be waived, provided that bond counsel or other counsel experienced in federal securities law matters provides the Issuer with its written opinion that the undertaking of the Issuer 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 Undertaking.

In the event of any amendment or waiver of a provision of this Undertaking, the Issuer 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 Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (a) notice of such change shall be given in the same manner as for a Material Event under **Section 3** hereof, and (b) 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 Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Undertaking. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is specifically required by this Undertaking, the Issuer shall have no obligation under this 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 Issuer fails to comply with any provision of this 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 Issuer to comply with its obligations under this Undertaking. A default under this Undertaking shall not be deemed an event of default under the Ordinance or the Bonds, and the sole remedy under this Undertaking if there is any failure of the Issuer to comply with this Undertaking shall be an action to compel performance.

Section 9. Beneficiaries.

This Undertaking shall inure solely to the benefit of the Issuer, 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 Undertaking, the Ordinance or the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions of this Undertaking 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 Undertaking shall be governed by and construed in accordance with the laws of the State of Missouri.

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IN WITNESS WHEREOF, the Issuer has caused this Undertaking to be executed as of the day and year first above written.

CITY OF O'FALLON, MISSOURI

By: _____
Name/Title: Bill Hennessy, 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 in the following described sections of the final Official Statement relating to the Bonds:

- (a) **“DEBT INFORMATION - Debt Summary;”**
- (b) **“ASSESSED VALUATION AND PROPERTY TAX INFORMATION - Property Valuations - *Current Assessed Valuation*,” “- *History of Property Valuations*” and “- Property Tax Rates;” and**
- (c) **“FINANCIAL INFORMATION CONCERNING THE CITY – Revenue Sources.”**

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APPENDIX D

BOOK-ENTRY ONLY SYSTEM

The following information concerning DTC and DTC's Book-Entry Only System has been obtained from sources that the City believes to be reliable, but is not guaranteed as to accuracy or completeness by and is not to be construed as a representation by the City, the Paying Agent or the Underwriter. The City, the Paying Agent and the Underwriter make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners will act in accordance with the procedures described above or in a timely manner.

General. The Bonds are available in book-entry only form. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds. Ownership interests in the Bonds will be available to purchasers only through a book-entry system (the “**Book-Entry System**”) maintained by The Depository Trust Company (“**DTC**”), New York, New York.

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

DTC and its Participants. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (“**Direct Participants**”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“**DTCC**”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“**Indirect Participants**”). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Ownership Interests. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (“**Beneficial Owner**”) is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchases. 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 Participants through which they entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners.

Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the Book-Entry System for the Bonds is discontinued.

Transfers. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Notices. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Voting. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Money Market Instrument Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of Principal, Redemption Price and Interest. Payment of the principal or Redemption Price of and interest on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participants and not of DTC, the Paying Agent or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of the principal or Redemption Price of and interest on the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

Discontinuation of Book-Entry System. DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, if a successor depository is not obtained, Bond certificates are required to be printed and delivered.

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 the Registered Owners.

RESPONSIBILITY OR OBLIGATIONS TO SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE PARTICIPANTS, THE INDIRECT PARTICIPANTS, OR THE BENEFICIAL OWNERS.

THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE CITY AND THE UNDERWRITER BELIEVE TO BE RELIABLE, BUT THE CITY AND THE UNDERWRITER TAKE NO RESPONSIBILITY FOR THE ACCURACY THEREOF, AND NEITHER THE PARTICIPANTS NOR THE BENEFICIAL OWNERS SHOULD RELY ON THE FOREGOING INFORMATION WITH RESPECT TO SUCH MATTERS BUT SHOULD INSTEAD CONFIRM THE SAME WITH DTC OR THE PARTICIPANTS, AS THE CASE MAY BE.