PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 27, 2025.

New Issue – Bank Qualified

S&P: AA (Insured)
S&P: A+ (Underlying)

In the opinion of Gilmore & Bell, P.C., Bond Counsel, 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 Series 2025 Bonds (including any original issue discount properly allocable to an owner thereof) is (1) excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax and (2) exempt from income taxation by the State of Missouri. The Series 2025 Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. Bond Counsel notes that interest on the Series 2025 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.

$8,105,000*
CITY OF WARRENTON, MISSOURI
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS
SERIES 2025

Dated: Date of Delivery **Due: As shown on the inside cover page**

The Series 2025 Bonds will be issued as fully-registered bonds in the denomination of $5,000 or any integral multiple thereof, and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases of the Series 2025 Bonds will be made in book-entry form only. Purchasers of Series 2025 Bonds (the "Beneficial Owners") will not receive certificates representing their interests in the Series 2025 Bonds. So long as Cede & Co., as nominee of DTC, is the owner of the Series 2025 Bonds, references herein to the owners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Series 2025 Bonds.

Interest on the Series 2025 Bonds will be payable on January 1 and July 1, beginning on July 1, 2026. So long as DTC or its nominee, Cede & Co., is the Bondowner, such payments will be made by U.S. Bank Trust Company, National Association, as paying agent and bond registrar (the "Paying Agent") directly to such Bondowner. Disbursement of such payments to the DTC Participants is the responsibility of DTC. Distribution of such payments to the Beneficial Owners is the responsibility of the DTC Participants and Indirect Participants, as more fully described herein. The Series 2025 Bonds are subject to redemption prior to maturity as described under the caption "THE SERIES 2025 BONDS – Redemption."

The Series 2025 Bonds will be special, limited obligations of the City of Warrenton, Missouri (the "City") payable solely from and secured as to the payment of principal and interest by a pledge of the Net Revenues, as hereinafter defined, derived by the City from the operation of the City's combined waterworks and sewerage system. The Series 2025 Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction, and neither the full faith and credit nor the taxing power of the City or the State of Missouri is pledged to the payment of the principal of or interest on the Series 2025 Bonds.

The scheduled payment of principal of and interest on the Series 2025 Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Series 2025 Bonds by BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM" or the "Insurer").

The Series 2025 Bonds are offered when, as, and if issued and received by the Underwriter, subject to receipt of an approving opinion of Gilmore & Bell, P.C., St. Louis, Missouri, Bond Counsel. Certain legal matters will be passed upon by Thompson Coburn LLP, St. Louis, Missouri, as Underwriter's Counsel. It is expected that the Series 2025 Bonds in definitive form will be available for delivery at The Depository Trust Company in New York, New York on or about November 13, 2025.

This Official Statement is dated __________________, 2025.

* Subject to Change

MATURITY SCHEDULE*

July 1	Amount	Rate	Price	CUSIP
2026	$245,000			
2027	245,000			
2028	260,000			
2029	270,000			
2030	285,000			
2031	300,000			
2032	315,000			
2033	330,000			
2034	345,000			
2035	365,000			
2036	380,000			
2037	395,000			
2038	410,000			
2039	430,000			
2040	445,000			
2041	465,000			
2042	485,000			
2043	500,000			
2044	525,000			
2045	545,000			
2046	565,000			

* Subject to change

REGARDING USE OF THIS OFFICIAL STATEMENT

No dealer, broker, salesman, or other person has been authorized by the City, the Municipal Advisor, or the Underwriter to give any information or to make any representations, 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 the City, the Municipal Advisor, or the Underwriter. 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 Series 2025 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 from other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the Municipal Advisor or the Underwriter. This Official Statement is not to be construed as a contract or agreement between the City, the Municipal Advisor or the Underwriter and the purchasers or owner of any of the Series 2025 Bonds. The information and expressions of opinion contained 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.

Any statements made in this Official Statement, including the Appendices, involving matters of opinion or estimates, 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 such estimates will be realized. This Official Statement contains certain forward-looking statements and information that is based on the City's beliefs as well as assumptions made by and information currently available to the City. Forward-looking statements are identified by terminology such as "may," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "projects," "potential," "continues," or the negative of these terms or other comparable terminology. Such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or expected.

The Series 2025 Bonds have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense.

Certain persons participating in this offering may engage in transactions that maintain or otherwise affect the price of the Series 2025 Bonds. Specifically, the Underwriter may overallot in connection with the offering, and may bid for, and purchase, the Series 2025 Bonds in the open market. The prices and other terms respecting the offering and sale of the Series 2025 Bonds may be changed from time to time by the Underwriter after the Series 2025 Bonds are released for sale, and the Series 2025 Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell the Series 2025 Bonds into investment accounts.

BAM makes no representation regarding the Series 2025 Bonds or the advisability of investing in the Series 2025 Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under APPENDIX D.

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 to be omitted pursuant to Rule 15c2-12(B)(1).

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THE CITY OF WARRENTON

MAYOR
Eric Schleuter

BOARD OF ALDERMEN

Larry Corder	Jack Crump
Brandon Lang	Christine Wait
Roger Romaker	Scott Schulze

CITY ADMINISTRATOR
Brandie Walters

FINANCE MANAGER
Meghan Waelder

BOND COUNSEL

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

MUNICIPAL ADVISOR

WM Financial Strategies
St. Louis, Missouri

UNDERWRITER

Stifel, Nicolaus & Company, Incorporated
St. Louis, Missouri

UNDERWRITER'S COUNSEL

Thompson Coburn LLP
St. Louis, Missouri

ISSUE SUMMARY

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

Issuer: The issuer is the City of Warrenton, Missouri.

Issue: $8,105,000* Combined Waterworks and Sewerage System Revenue Bonds, Series 2025.

Dated Date: Date of delivery.

Interest Payment Dates: January 1 and July 1, beginning on July 1, 2026.

Principal Due: Principal will mature on the dates and in the amounts shown on the inside cover page of this Official Statement.

Optional Redemption: The Series 2025 Bonds maturing on and after July 1, 2036 are subject to optional redemption on July 1, 2035 and thereafter, in whole or in part at the redemption price of 100% of the principal amount thereof plus accrued interest thereon to the redemption date.

Purpose: The Series 2025 Bonds represent the second and final series of $13,000,000 of combined waterworks and sewerage system revenue bonds authorized. at an election held on April 4, 2023. The bonds were authorized for the purpose of acquiring, constructing, extending and improving the combined waterworks and sewerage system of the City, including the construction of a new water tower and connection lines and the expansion of the existing wastewater treatment plant and collection system and the acquisition of real estate and easements related thereto, the cost of operation and maintenance of said system and the principal of and interest on said revenue bonds to be payable solely from the revenues derived by the City from the operation of its combined waterworks and sewerage system, including all future extensions and improvements thereto. See "THE PROJECT" herein.

Authority: The Series 2025 Bonds are issued pursuant to Chapter 250 of the Revised Statutes of the State of Missouri, as amended (the "Missouri Revised Statutes"), and all other applicable provisions of law, and an ordinance expected to be adopted on November 4, 2025 (the "Bond Ordinance"). The Series 2025 Bonds will be issued on a parity with $6,480,000 principal amount of Combined Waterworks and Sewerage System Revenue Bonds, Series 2014 (the "Series 2014 Bonds"), $4,855,000 Combined Waterworks and Sewerage System Revenue Bonds, Series 2021 (the "Series 2021 Bonds") and $4,760,000 Combined Waterworks and Sewerage System Revenue Bonds, Series 2023 (the "Series 2023 Bonds"). The Series 2014 Bonds, the Series 2021 Bonds, the Series 2023 Bonds, the Series 2025 Bonds and any future additional parity bonds are referred to collectively herein as the "System Revenue Bonds". The City has the right under the Bond Ordinance to issue additional bonds on a parity with the Series 2025 Bonds payable from the same sources and secured by the same revenues as the Series 2025 Bonds, but only in accordance with and subject to the terms and conditions set forth in the Bond Ordinance.

* Subject to change

Definitions: "System" means the City's Combined Waterworks and Sewerage System.

"Net Revenues" means all Revenues of the System less all Current Expenses. A definition of Revenues, Current Expenses and certain other terms are included in "APPENDIX B – SUMMARY OF THE BOND ORDINANCE."

Fiscal Year: Prior to June 2023 the City operated on a fiscal year which commenced on July 1 and ended on June 30 of the following year. The City now operates on a fiscal year that corresponds to a calendar year.

Security: The Series 2025 Bonds will be special, limited obligations of the City payable solely from the Net Revenues derived from the operation of the System. The City has the right under the Bond Ordinance to issue additional bonds on a parity with the Series 2025 Bonds payable from the same sources and secured by the same revenues as the Series 2025 Bonds, but only in accordance with and subject to the terms and conditions set forth in the Bond Ordinance. See "APPENDIX B – SUMMARY OF THE BOND ORDINANCE."

Rate Covenant: In the Bond Ordinance the City has covenanted to fix, maintain and collect such rates, fees or charges for use and services furnished by and through the System as will produce revenues sufficient to (a) pay the Current Expenses of the System; (b) pay the principal of and interest on the System Revenue Bonds as and when the same become due at the maturity thereof or on any interest payment date; (c) enable the City to have in each fiscal year Net Revenues of not less than 120% of the amount required to be paid in such fiscal year on account of both principal of and interest on all System Revenue Bonds at the time outstanding; and (d) provide reasonable and adequate reserves for the payment of the Series 2025 Bonds and the interest thereon and for the protection and benefit of the System as provided in any bond ordinance for System Revenue Bonds.

Ratings: S&P Global Ratings, a division of S&P Global Inc., has assigned the Series 2025 Bonds an insured rating of "AA" and an underlying rating of "A+". See "RATINGS" herein.

Paying Agent: U.S. Bank Trust Company, National Association.

Book-Entry Form: The Series 2025 Bonds will be registered in the name of Cede & Co. as nominee for the Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Series 2025 Bonds.

OFFICIAL STATEMENT
OF THE
CITY OF WARRENTON, MISSOURI
Relating to
$8,105,000*
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS
SERIES 2025

INTRODUCTION

The Series 2025 Bonds represent the second and final series of $13,000,000 combined waterworks and sewerage system revenue bonds authorized at an election held on April 4, 2023 by a vote of 708 in favor of to 233 against the issuance of bonds for the purpose of acquiring, constructing, extending and improving the combined waterworks and sewerage system of the City, including the construction of a new water tower and connection lines and the expansion of the existing wastewater treatment plant and collection system and the acquisition of real estate and easements related thereto (the "Project"), the cost of operation and maintenance of said system and the principal of and interest on said revenue bonds to be payable solely from the revenues derived by the City from the operation of its combined waterworks and sewerage system, including all future extensions and improvements thereto. The use of the Series 2025 Bond proceeds is described in greater detail herein under the caption "THE PROJECT."

The Series 2025 Bonds are issued pursuant to Chapter 250 of the Revised Statutes of the State of Missouri, as amended ("Missouri Revised Statutes"), and all other applicable provisions of law, and an ordinance expected to be adopted on November 4, 2025 (the "Bond Ordinance").

The Series 2025 Bonds will be special, limited obligations of the City payable solely from the Net Revenues derived from the operation of the System. The Series 2025 Bonds will be issued in full compliance with the restrictions and conditions upon which the City may issue additional bonds payable out of the revenues derived from the operation of the System and will stand on a parity with the Series 2014 Bonds, the Series 2021 Bonds and the Series 2023 Bonds (collectively, the "Outstanding Bonds") as set forth and contained in the ordinances authorizing the Outstanding Bonds. The City has the right under the Bond Ordinance to issue additional bonds on a parity with the Series 2025 Bonds payable from the same sources and secured by the same revenues as the Series 2025 Bonds, but only in accordance with and subject to the terms and conditions set forth in the Bond Ordinance. See the caption "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS" herein.

Brief descriptions of the Series 2025 Bonds, the City, the Project, the System, and the Bond Ordinance are included in this Official Statement. Such descriptions and summaries do not purport to be comprehensive or definitive. All references herein to the Bond Ordinance and other documents are qualified in their entirety by reference to such documents, and references herein to the Series 2025 Bonds are qualified in their entirety by reference to the form thereof included in the Bond Ordinance, copies of all of which are available for inspection at the Warrenton City Hall.

THE SERIES 2025 BONDS

Description

The Series 2025 Bonds will be issued as fully-registered bonds and, when issued, will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Series 2025 Bonds. Purchases of the Series

* Subject to change

2025 Bonds will be made in book-entry only form. See "APPENDIX E - BOOK-ENTRY ONLY SYSTEM."

The Series 2025 Bonds will be dated as of the date of delivery. The Series 2025 Bonds will mature in the amounts and will bear interest at the rates shown on the inside cover page of this Official Statement. Interest on the Series 2025 Bonds will be payable semiannually on January 1 and July 1 (each an "Interest Payment Date") commencing on July 1, 2026 to the holders of record at the close of business on the 15th day (whether or not a Business Day) of the calendar month next proceeding each Interest Payment Date. So long as DTC or its nominee, Cede & Co., is the Bondowner, such payments will be made by the Paying Agent directly to such Bondowner. Disbursement of such payments to the DTC Participants is the responsibility of DTC. Distribution of such payments to the Beneficial Owners (as hereinafter defined) is the responsibility of the DTC Participants and Indirect Participants, as more fully described in the Official Statement in "APPENDIX E – BOOK-ENTRY ONLY SYSTEM".

Redemption

Optional Redemption

At the option of the City, the Series 2025 Bonds maturing on and after July 1, 2036 are subject to optional redemption on July 1, 2035 and thereafter in whole or in part at any time at the Redemption Price of 100% of the principal amount thereof, plus accrued interest thereon to the Redemption Date.

Selection of Series 2025 Bonds to be Redeemed

Series 2025 Bonds shall be redeemed only in the principal amount of $5,000 or any integral multiple thereof. When less than all of the Outstanding Series 2025 Bonds are to be redeemed, such Series 2025 Bonds shall be redeemed from the Stated Maturities selected by the City, and Series 2025 Bonds of less than a full Stated Maturity shall be selected by the Paying Agent in $5,000 units of principal amount by lot or in such other equitable manner as the Paying Agent may determine.

Notice of Redemption

Unless waived by any Registered Owner of Series 2025 Bonds to be redeemed, official notice of any redemption shall be given by the Paying Agent on behalf of the City by mailing a copy of an official redemption notice by first class mail at least 30 days prior to the Redemption Date to each Registered Owner of the Series 2025 Bonds to be redeemed at the address shown on the Bond Register. The failure of any Registered Owner to receive such notice or any defect therein shall not invalidate any redemption. Official notice of redemption having been given, the Series 2025 Bonds or portions of the Series 2025 Bonds to be redeemed shall become due and payable on the Redemption Date, at the Redemption Price therein specified, and from and after the Redemption Date (unless the City defaults in the payment of the Redemption Price) such Series 2025 Bonds or portions of the Series 2025 Bonds shall cease to bear interest.

Security for the Series 2025 Bonds

The Series 2025 Bonds are issued on a parity with the Outstanding Bonds. The Series 2025 Bonds are special, limited obligations of the City payable solely from, and secured as to the payment of principal of, premium, if any, and interest on the Series 2025 Bonds by a pledge of the Net Revenues derived by the City from the operation of the System. The Series 2025 Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction, and neither the full faith and credit nor the taxing power of the City or the State of Missouri is pledged to the payment of the Series 2025 Bonds.

* Subject to change

See “APPENDIX B-SUMMARY OF THE BOND ORDINANCE” for a summary of the covenants and agreements contained in the Bond Ordinance including the rate covenant.

BONDOWNERS’ RISKS

The following is a discussion of certain risks that could affect payments to be made with respect to the Series 2025 Bonds. Such discussion is not, and is not intended to be, exhaustive and should not be considered as a complete description of all risks that could affect such payments. Prospective purchasers of the Series 2025 Bonds should analyze carefully all the information contained in this Official Statement, including the Appendices hereto, and additional information in the form of the complete documents summarized herein and in the Appendices hereto, copies of which are available as described herein.

Revenues

Debt service payments on the Series 2025 Bonds are financed through revenues derived from the operation of the System. The ability of the City to generate and collect operating revenues to pay the principal of and interest on the Series 2025 Bonds can be affected by many factors, including the City’s willingness to establish adequate user rates, ability to collect revenues sufficient to make timely payments on the Series 2025 Bonds, and the continued use of the System by a sufficient number of customers to produce revenue necessary to pay debt service on the Series 2025 Bonds. Future economic conditions of the City and weather conditions in the City could impact these factors and cannot be predicted with accuracy.

Factors Affecting the Operations of the System

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

1. Environmental Regulation. Water and sewer utilities are subject to environmental regulation. Federal, state and local standards and procedures which regulate the environmental impact of water and sewer utilities are subject to change. These changes may arise from continuing legislative and judicial action regarding such standards and procedures. Consequently, there is no assurance that facilities in operation will remain subject to the regulations currently in effect, will always be in compliance with further regulations or will always be able to obtain all required operating permits. An inability to comply with environmental standards could result in reduced operating levels or the complete shutdown of facilities not in compliance. Legislative, regulatory, administrative or enforcement action involving environmental controls could adversely affect the operation of the System. In addition, compliance with environmental regulations may require costly capital expenditures.

2. Changes in Management or Composition of the Board of Aldermen. Changes in key management personnel or the members of the Board of Aldermen could affect the operations of the System including the willingness of the Board of Aldermen to periodically review user charges and implement changes in user charges as required to finance operations of the System and pay the principal and interest on the Series 2025 Bonds.

3. Future Economic Conditions. Increased unemployment or other adverse economic conditions or changes in demographics of the City; an inability to control expenses in periods of inflation and difficulties in increasing charges could affect the operations of the System.

4. *Major System Customers.* The loss of a major customer or reduction in usage by a major customer could necessitate increases in user charges and would affect the financial operations of the System. See the caption "THE SYSTEM – Service Area and Customers."

5. Organized Labor Efforts. Adverse labor agreements or actions resulting in increased labor costs.

6. Variations in Weather. Revenue is based on water usage which may be affected by weather. Water usage is normally the highest in the hotter and dryer months of the year. Variations in rain and temperature patterns can affect water usage, positively or negatively, and therefore, the revenues derived from the System.

7. Natural and Manmade Disasters. The occurrence of disasters such as floods, droughts, earthquakes, tornadoes or civil unrest could damage the City's utilities, interrupt services or otherwise impair operations and the ability of the Board of Aldermen to produce revenues.

Market for the Series 2025 Bonds

The Underwriter will not be obligated to repurchase any of the Series 2025 Bonds, and no representation is made concerning the existence of any secondary market for the Series 2025 Bonds. No assurance can be given that any secondary market will develop following the completion of the offering of the Series 2025 Bonds, and no assurances can be given that the initial offering prices for the Series 2025 Bonds will continue for any period of time.

Tax-Exempt Status of the Series 2025 Bonds

The failure of the City to comply with certain covenants set forth in the Bond Ordinance (see the caption "TAX MATTERS" herein) could cause the interest on the Series 2025 Bonds to become includible in gross income for federal and State of Missouri income tax purposes retroactive to the date of issuance of the Series 2025 Bonds. The Bond Ordinance does not provide for the payment of any additional interest or penalty in the event that the interest on the Series 2025 Bonds becomes includible in gross income for federal and State of Missouri income tax purposes.

Risk of Audit

The Internal Revenue Service (the "Service") has established an ongoing program to audit tax-exempt obligations to determine whether interest on such obligations should be included in gross income for federal income tax purposes. No assurance can be given that the Service will not commence an audit of the Series 2025 Bonds. Owners of the Series 2025 Bonds are advised that, if an audit of the Series 2025 Bonds were commenced, in accordance with its current published procedures, the Service would likely treat the City as the taxpayer, and the Owners of the Series 2025 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 Series 2025 Bonds during the pendency of the audit, regardless of the ultimate outcome of the audit.

Pandemic

Recent events with the COVID-19 pandemic have shown that an outbreak of infectious disease can trigger governmentally-imposed restrictions and changes in consumer behavior that could negatively impact local economic conditions. Such changes can cause unemployment rates to rise, supply chain disruptions, taxable sales to decrease, delinquencies in tax payments, and other negative pressures on economic activity that could result in decreased or delayed tax collections for the City, or otherwise adversely affect the City's operations and finances.

New, more harmful variants of the virus or significant spreading of existing variants of the virus (or other viruses or pandemics) could cause reduced healthcare availability and reduced economic activity. Such reduced economic activity could in turn negatively impact sales taxes, property values, the collections of such taxes, and the operations and finances of the City.

Cybersecurity

The City relies on its information systems to provide security for processing, transmission and storage of confidential personal, credit and other information. It is possible that the City's security measures will not prevent improper or unauthorized access or disclosure of personally identifiable information resulting from cyber-attacks. Security breaches, including electronic break-ins, computer viruses, attacks by hackers and similar breaches can create disruptions or shutdowns of the City and the services it provides, or the unauthorized disclosure of confidential personal, 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 maintains cybersecurity insurance.

THE CITY OF WARRENTON

General

The City is located in and is the county seat of Warren County, Missouri (the "County"). The City encompasses approximately 8 square miles and is located adjacent to St. Charles County, approximately 60 miles west of the City of St. Louis and approximately 200 miles east of Kansas City, Missouri.

The City provides a full range of municipal services including parks, planning and zoning, police protection, trash disposal, water, and wastewater treatment.

As the county seat and the largest city within a 17-mile radius, the City serves as a center for commerce, banking, enterprise and light industry. In recent years, the City has experienced significant economic growth due to outward growth from rapidly growing St. Charles County.

Government

The City was incorporated in 1864 and is a fourth-class city. The legislative body of the City is the Board of Aldermen which is comprised of six aldermen and a mayor. Two aldermen are elected from each of the City's three wards to serve two-year terms.

The Mayor, elected at large to serve a two-year term, is the presiding officer of the Board of Aldermen. The Mayor may vote in the event of a tie vote by the Board of Aldermen. Additionally, the Mayor has veto power.

A City Administrator is appointed by the Mayor with the advice and consent of the Board of Aldermen. Brandie Walters was appointed as City Administrator in April 2021 after an 11-year career with the City, most recently as Director of Operations. The City Administrator is the chief assistant to the Mayor and is responsible for the day-to-day management of the City's business and staff. The

City Administrator is also responsible for the employment and discharge of City employees under policies established by the Board of Aldermen.

City functions are divided among numerous departments including animal control, city clerk, economic development, finance, human resources and employment opportunity, planning and zoning, police, and public works.

In addition, the City has several advisory boards and committees composed of citizens appointed by the Mayor with the advice and consent of the Board of Aldermen. The advisory boards and committees include the board of adjustment, building board, park board, planning and zoning, and tourism commission.

Employees

The City has 72 full-time employees, 23 regular part-time employees, 5 seasonal part-time employees during spring and summer and 1 permanent part-time employee. None of the City employees are presently represented by any collective bargaining unit; however, in 2024 policemen voted to have a union. The City has begun negotiations with the Eastern Missouri Coalition of Police, Fraternal Order of Police, Lodge 15. Discussions have been ongoing for a year and the timing of acceptance of an agreement is unknown at this time. The City has no record of any work stoppages or other labor disputes.

Pension Plan

The City participates in Missouri Local Government Employees Retirement System (LAGERS). The City's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with sections 70.600-70.755 of the Missouri Revised Statutes. Additional information regarding the plan is included in the City's financial statements included as APPENDIX A to this Official Statement.

Additional information regarding LAGERS is also available at http://www.molagers.org including their financial statements at http://www.molagers.org/financial.html.

Community Services

Utilities

Natural gas and electric service are provided by Ameren UE. The City provides water, sewage collection and treatment, and trash collection.

Communications and Media

Telecommunication services are provided by Centurylink and Charter Spectrum. The City receives all St. Louis metropolitan area radio stations and television channels. Local newspapers include the *St. Louis Post Dispatch*, a daily paper, and *The Warren County Record*, a weekly paper. Cable television is provided by Charter Communications. Within the City is the Warren County Branch of the Scenic Regional Library.

Fire Protection

Fire protection is provided by the Warrenton Fire Protection District (the "Fire Protection District"). Services are provided from two fire stations located in the City that is manned by 9 full-time employees, including the chief, fire marshal and assistant chief and by 11 volunteer firefighters. The Fire Protection District has an insurance rating (ISO rating) of "5" among ratings ranging from 1 to 10 with 1 as the highest. This rating is based on several factors including the number of firefighters and their training, response time, firefighting equipment and fire prevention programs of the Fire Protection District. The Fire Protection District offers fire prevention programs including home fire safety, smoke detectors, and fire extinguisher training.

Police Protection

The City's Police Department provides police protection throughout the corporate limits of the City. Services are provided by 28 full-time commissioned personnel including the Chief, Lieutenant, Detectives, and 24 officers. The City has a cyber-crime task force officer that reports to the St. Charles County police department and is paid from grant funds. Community programs offered by the Police Department include Citizens Police Academy, Neighborhood Watch, domestic violence awareness classes, CPR classes and Technology Day student education program. As of July 2021, the Police Department is accredited by the Commission on Accreditation for Law Enforcement Agencies, Inc.

Recreation Activities

The City owns and operates six parks encompassing more than 100 acres. Facilities available at City parks include picnic facilities, walking trails, playgrounds, tennis courts, and lakes. The Warrenton Pool Park comprises 35 acres and features a year round indoor and outdoor pool, 18-hole disc golf course, walking trails, pavilion, restroom facilities, lake, and a dog park. The City also has the Warrenton Athletic Complex that comprises 55 acres and features six lighted baseball/softball fields, soccer fields, a pavilion, a gazebo, restroom facilities, and two concession buildings. One public and one private 18-hole golf courses are also located in the City.

Adjacent to the City's limits is the Reifsnider State Forest which is a popular hunting getaway.

Medical and Ambulance Service

There are two hospitals within 25 miles of the City. St. Johns Mercy Hospital ("St. Johns"), located in Washington, Missouri, is a 187-bed acute care hospital with approximately 150 physicians. St. Johns offers comprehensive medical, surgical, obstetric and pediatric services. SSM Health St. Joseph Hospital, located in Lake St. Louis, Missouri, is a 216-bed hospital that has a state-designated trauma center and specializes in obstetric and pediatric services. Mercy Hospital has received approval to construct a medical campus in Wentzville. Groundbreaking commenced in May 2025 and construction is expected to be completed in four years with an estimated completion date in 2029.

Ambulance service is provided by the tax supported Warren County Ambulance District (the "Ambulance District"). The Ambulance District provides services to an area of approximately 250 square miles. The Ambulance District currently operates out of three locations. Two of its stations, including its headquarters and administrative offices, are located in the City.

Education

The City is served by the Warren County R-III School District, which serves grades K through 12. Higher education is provided by East Central College, a state supported community college with a campus in Washington, Missouri, approximately 25 miles from the City. In addition, the universities located in the St. Louis metropolitan area are easily accessible to residents of the City, including Saint Louis University, Washington University and the University of Missouri-St. Louis.

Economic and Demographic Data

Transportation

The City is located at the intersection of Interstate 70 and State Highway 47, with easy access to Interstate 64. This network of highways provides the City convenient access to the entire St. Louis metropolitan area.

Regularly scheduled air passenger and freight service is available at Lambert-St. Louis International Airport, located approximately 40 miles from the City. Commercial air service is also available at the Spirit of St. Louis Airport, located approximately 28 miles from the City.

Population

The following table sets forth population statistics for the City.

Year	Population	Change From Prior Census
1980	3,218	–
1990	3,564	10.75%
2000	5,281	48.18
2010	7,880	49.21
2020	8,429	6.97

Source: United States Department of Commerce, Bureau of Census.

Economic Development

An outlet mall encompassing approximately 200,000 square feet was built in 1993, and was acquired by a developer in 2017 and renamed the "Shoppes at Warrenton." The outlet mall is located on a 39.27 acre partially developed site that is adjacent to Interstate 70; however, until 2018 there was no exit or interchange connecting Interstate 70 to this site thus creating access issues. The 31.27-acre site was acquired in 2017. In order to develop the site and enhance development in the City, the City constructed a major interchange. In order to finance the interchange, the City obtained voter approval of ½% Capital Improvement Sales Tax and a ½% Economic Development Sales Tax. The Capital Improvement Sales Tax will be repealed this year with the termination of the loan described in the paragraph below. The Economic Development Sales Tax will remain in effect until the surrounding areas are developed and other sales taxes are sufficient to offset the loss of the Economic Developmnet Sale Tax for two consecutive fiscal years.

In 2016, the City entered into a loan agreement and promissory note with the Missouri Transportation and Finance Corporation in the amount of $15,400,000 for the financing of a new I-70 interchange extending from Route MM to the north and across I-70 to the North Outer Road (the "I-70 Interchange. Construction was completed in 2018.

In addition to providing an opportunity for commercial development, construction of the interchange has provided the following benefits to the City:

- Reduced congestion along the Route 47 Corridor and I-70 interchange.
- Improved roadway connectively between the northern and southern portions of the City.
- Improved public safety by reducing travel hazards and increasing emergency response abilities.

- Provided areas suitable for future industrial development on the northern portion of the City which does not currently exist.

In connection with the commercial development, in 2017 the City established a Tax Increment Redevelopment Area encompassing 118.85 acres, including the 31.27 acres noted above, upon which the outlet mall is situated. The City entered into a Redevelopment Agreement with RAK Development, to invest $6,000,000 in the outlet mall and an adjacent site. RAK Development entered into a letter of intent with Rural King to construct a store that has been completed and occupies approximately 85,000 square-feet on the site. In addition, the owner of the Shoppes at Warrenton renovated a substantial portion of the mall which now is 55% occupied by businesses including a furniture store, jewelry store, tool shop and restaurant. In addition, outside of the boundaries of the Tax Increment Redevelopment Area is a 37,000 square foot Schnucks Market (grocery store) that was completed in October 2018. With the completion of the I-70 Interchange, the City anticipates that future investment and development of the area will continue.

Tax Increment Financing can remain in effect for up to 23-years from the date adopted. During the time in which Tax Increment Financing is in effect, the City will not realize any increase in ad valorem taxes attributable to any increases in assessed valuation in the Tax Increment Redevelopment Area. In addition, pursuant to the Missouri Revised Statutes relating to Tax Increment Financing, 50% of the increase in economic activity taxes (sales taxes) are incremental revenues allocated to payment of redevelopment project costs. The City may elect to contribute additional incremental economic activity taxes to developments in the Tax Increment Redevelopment Area.

Major Employers

The following is a list of the ten largest employers located within a 12-mile radius of the City:

Name	Product or Service	Number of Employees
American Foods Group	Meat Processing Plant	800
Warren Co. School District R-III	School District	574
Wal-Mart	Department Store	274
Refresco	Soft Drink Manufacturing	231
Cascades Plastics	Wood Container and Pallet Mfg.	225
SAF Holland USA	Other Motor Vehicle Parts Mfg.	180
Warrenton Oil Co	Crude Petroleum Extraction	175
Child Evangelism Fellowship	Ministry	100
Old Castle Glass	Glass Product Mfg.	118
Warrenton Manor	Nursing Home	75

Source: City of Warrenton.

Employment

According to the U.S. Bureau of Census, 2019-2023 American Community Survey, 5 year estimates, the total civilian labor force of the City was 4,364 and 299 people were unemployed. This represented an 6.9% unemployment rate.

Building and Construction Data

The following table sets forth the number and value of building permits issued by the City for the 2020 through 2024 calendar years:

Fiscal	New Residential		Multi Family		New Commercial		
Year	Units	Value	Units	Value	Number	Value	Total
2020	97	$20,888,712	44	$ 4,247,741	2	$1,012,788	$26,149,241
2021	35	8,235,675	114	10,566,404	2	1,609,606	20,411,685
2022	12	3,620,002	36	4,092,891	3	3,100,654	10,813,547
2023	41	12,953,674	60	11,004,018	7	10,945,889	34,903,581
2024	58	19,039,553	120	18,926,838	2	410,000	38,376,391

Source: Office of the City Building Commissioner.

Assessed Valuation

The following table sets forth the assessed valuation for the City for the past five tax years:

Tax Year	Total
2020	$111,852,241
2021	118,058,512
2022	127,011,424
2023	138,603,309
2024	141,149,659

Source: Office of the County Clerk.

Housing

The following table sets forth certain housing statistics for the City and, for comparative purposes, Warren County and the State of Missouri:

	Median Value of Owner Occupied Housing	% Built In 2000 or Later	Units Built Before 1940
The City	$193,100	47.0%	5.6%
Other Entities:			
Warren County	241,200	43.2	5.2
State of Missouri	215,600	21.5	13.4

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

Income

The following table sets forth certain income statistics for the City and, for comparative purposes, Warren County and the State of Missouri:

	Per Capita Income	Median Family Income	% People Below Poverty Level
The City	$26,290	$72,210	15.2%
Other Entities:			
Warren County	36,403	91,618	9.3
State of Missouri	38,497	88,759	12.6

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

COMBINED WATERWORKS AND SEWERAGE SYSTEM

System Facilities

The City's waterworks facilities include 140 miles of water lines, 5 deep wells, and 5 water towers and one storage tank with a total capacity of 2,450,000 gallons of water. The City implemented chlorination of its water system in 2009. Total water production capacity is approximately 144,600 gallons per hour. Average daily demand is approximately 822,659 gallons per day and peak demand is approximately 1,204,322 gallons per day. Testing of the water system is conducted under Missouri Department of Natural Resources guidelines utilizing nine samples each month.

The City's sewerage system includes a Multiple Loop Reactor (MLR) oxidation ditch type activated sludge plant. The plant was completed in the fall of 2004 with major renovations and is currently rated for a capacity of 3.2 million gallons per day. The treatment plant treats an average of approximately 1.9 million gallons of wastewater per day. During significant rain events, the City has experienced peak demand in excess of capacity with the excess stored in two basins, one with a 5.0-million-gallon capacity and one with a capacity of 2.2 million gallons pending a controlled release.

The City will use the proceeds from the Series 2025 Bonds to make improvements to the clarification and sludge handling facilities at the sewer treatment plant. The City has commenced making these improvments with grants and cash contributions. Additional information is contained under the caption "THE PROJECT." The City is also planning to double the capacity of the wastewater treatment plant in the next 10 to 12 years depending on City growth. The cost is currently estimated at $10,000,000 and the City expects to seek voter approval for additional revenue bonds authorization.

Management and Organization

The Board of Aldermen is responsible for all basic policy decisions relating to the System including budgetary matters, bidding, construction, and rates and fees for services. The Public Works Director manages the System under the direction and guidance of the Board of Aldermen. Responsibilities of the Public Works Director include management of the water and sewer operations and maintenance staff, budget development, developing bid specifications, liaison with engineers and consultants, and otherwise planning and directing all activities of the Public Works Department. Daily operations and maintenance of the System are performed by 6 staff members that are State of Missouri licensed in water and 4 staff members that are State of Missouri licensed for sewer.

Service Area and Customers

The System provides service to most residents of the City. In addition, water service is provided to approximately 73 customers located outside the City limits and sewer service is provided to 427 customers located outside the City limits.

The following table sets forth information regarding the number of customers served and water sold for the past five fiscal years.

Fiscal Year Ended[1]	Sewer Customers	Water Customers	Gallons of Water Sold[2]
6/30/2021	3,860	3,542	210,931,940
6/30/2022	3,977	3,657	239,953,131
6/30/2023	3,946	3,624	243,407,718
12/31/2023	3,988	3,660	238,747,560
12/31/2024	4,171	3,777	228,597,706

(1) The City's fiscal year was changed in 2023.
(2) Year-to-year variances are attributable to water usage conservation and weather conditions.
Source: City billing and production records.

The following table sets forth information regarding the ten largest water customers based on water usage for the fiscal year ended December 31, 2024.

Customer	Gallons Billed	% of Total Gallons Billed[1]	Total Billed for Water
Warren County R-3 Schools	5,927,360	2.59%	$39,144
Warrenton Oil	4,538,340	1.99	37,086
Orange Blossom	4,523,830	1.98	26,625
Oldcastle Glass	4,062,550	1.78	50,564
Refresco	3,620,714	1.58	45,451
Warren County Courthouse	3,395,058	1.49	18,007
Warrenton Manor	3,200,000	1.40	17,700
Oak Pointe	2,444,550	1.07	14,560
Kikkoman	2,211,000	0.97	13,189
Club Car Wash	2,172,000	0.95	19,960

(1) Based on 228,597,706 gallons of water billed for the Fiscal Year ended December 31, 2024.
Source: Office of the Finance Officer.

The following table sets forth information regarding the ten largest sewer customers for the fiscal year ended December 31, 2024.

Customer	Gallons Billed	% of Total Gallons Billed[1]	Total Billed for Sewer
Refresco [2]	153,522,000	67.16%	$1,606,071
Lakeview Estates[3]	−	na	161,046
City of Truesdale[4]	16,711,011	7.31	133,950
Orange Blossom	4,523,830	1.98	27,700
Warren County R-3 School	4,417,050	1.93	27,905
Warrenton Oil	4,139,940	1.81	30,659
Oldcastle Glass	4,062,550	1.78	42,957
Warren County Courthouse	3,395,058	1.49	18,007
Warrenton Manor	3,200,000	1.40	16,331
Oak Pointe	2,444,550	1.07	13,113

(1) Based on 228,597,706 gallons of water billed relating to sewer service for the fiscal year ended December 31, 2024 except for Lakeview Estates which is billed a flat fee and Coca-Cola which is billed based on measurement of actual wastewater flow.

(2) Refresco, is billed based on actual wastewater flow pursuant to a contract that expires on December 31, 2025. The City enters into a contract with Refresco annually and presently no changes are expected in the future.

(3) Lakeview Estates pays a flat fee.

(4) The City provides sewer service to 42 commercial customers and 384 residential customers under a contract with the City of Truesdale. The contract is for a 25-year term ending February 2033 and provides that the residential customers shall receive the same rates as in-town customers in the City and that the City of Truesdale shall be responsible for payment. The bills are based upon meter readings resulting from the City of Truesdale's billings for their water customers.

Source: Office of the Finance Officer.

Billing

Customers of the System are billed for services on the last day of every month. Bills are due by the fifteenth day of the following month with a penalty of 8% for late payment added after that date.

Delinquent customers with a balance greater than $30.00 receive notification in their bills regarding disconnection, including the discontinue date in the event the bill is not paid, which as required by the Warrenton Municipal Code is approximately 30 days after the initial due date. In addition, an automated voice message is sent to the customer the date the late notice is sent and again fifteen days following the mailing of the late notice. Service is not resumed until payment is made in an amount equal to the entire outstanding balance, a $55 service fee, and a service deposit (if applicable).

Final bills are sent to customers that have terminated their service. A collection letter is sent to the customer if the balance remains unpaid by the fifteenth of the following month. The account is submitted to a collection agency by the end of the month if payment is not received.

The City estimates that less than 1% of the customers do not pay their bills prior to the disconnection date which is approximately 45 days following the billing date.

Rates and Charges

Current Rates

Rates and charges for the services of the System are established by the Board of Aldermen and are not subject to regulation by any other jurisdiction. The current charges for both water and sewer rates were established by ordinance and became effective for bills issued after February 1, 2025 (the "Current Rates"). The Current Rates represent approximately a 4.0% increase over the prior rates that had been in effect since August 1, 2023.

The following table sets forth the current water rates.

	Residential		Commercial and Industrial	
Water Consumption	In City	Outside City	In City	Outside City
First 1,000 Gallons	$8.89	$28.33	$15.22	$29.81
Per 1,000 Gallon Charge for Each Additional 1,000 Gallons	$5.74	$12.14	$6.11	$12.85

The following table sets forth the current sewer rates.

	Residential		Commercial and Industrial	
Water Consumption	In City[1]	Outside City	In City	Outside City
First 1,000 Gallons	$14.56	$39.12	$15.48	$30.92
Per 1,000 Gallon Charge for Each Additional 1,000 Gallons	$ 5.27	$10.54	$ 5.48	$10.88

Note: The City provides sewer service to 427 customers outside the city limits of which 384 are residential, under a contract with the City of Truesdale. Residential customers living in Truesdale receive the same rates as customers in the City.

The City charges a connection fee for new water and sewer services based upon the size of the connection. The standard ¾" water connection fee is $550 for both residential and commercial users. The standard 4" residential sewer connection is $2,000 and the standard 6" commercial connection is $2,000. Both water and sewer connection fees are double for customers outside the City.

Future Rates

The City reviews rates annually. The City expects to increase both the water and sewer rates by 4% in the 2025 Fiscal Year and expects to implement a 4% increase for both the water and sewer rates in the 2026 and 2027 Fiscal Years.

Comparative Rates

The following table shows the average monthly combined water and sewer bills for several Missouri cities based on 5,000 gallons of water used for Missouri cities.

Monthly Utility Charges Based on 5,000 Gallons of Water Used

City[1]	Estimated Population	Monthly Bill
Arnold	20,845	$96
Boonville	7,666	134
Eureka	12,729	103
O'Fallon	93,633	63
St. Charles	71,184	71
Troy	13,951	64
Union	12,756	30
Warrenton	**8,429**	**68**
Washington	15,075	56
Wentzville	47,197	75
Wright City	5,241	88

Source. Based on a rate study dated April 4, 2023 prepared by the City's consulting engineer, Gonzalez Companies L.L.C., St. Louis, Missouri and updated in August 2025.

Operating Results

The following table sets forth certain financial information for the System for the past four fiscal years. The information included herein was extracted from the audited financial statements of the City for the "Proprietary Fund."

SUMMARY OF OPERATIONS
WATERWORKS AND SEWERAGE SYSTEM

	Fiscal Year Ending			
	6/30/2022	6/30/2023	12/31/2023	12/31/2024
OPERATING REVENUES				
Charges for Services	$4,547,445	$4,513,739	$4,420,562	$5,331,928
Miscellaneous	17,690	2,582	5,593	2,998
Total Operating Revenues	4,565,135	4,516,321	4,426,155	5,534,926
OPERATING EXPENSES EXCLUDING DEPRECIATION				
Personnel Services	877,144	872,131	953,573	977,401
Bad Debt Expenses	–	12,037	33,328	12,712
Repairs and Maintenance	134,461	166,925	406,021	308,808
Utilities	254,399	261,513	285,767	304,164
Operating Supplies	88,904	112,932	67,790	70,736
Other services and charges	157,987	381,005	265,187	261,989
Total Operating Expenses	1,512,895	1,806,543	2,011,666	1,935,810
OPERATING INCOME PRIOR TO DEPRECIATION	3,052,240	2,709,778	2,414,489	3,599,116
Depreciation	(1,402,507)	(1,568,933)	(1,733,049)	(2,033,509)
OPERATING INCOME	1,649,733	1,140,845	681,440	1,565,607
Nonoperating Revenues (Expenses)				
Investment Income	13,871	183,589	266,817	424,804
Grants	–	–	–	434,259
Gain (Loss) on the Sale of Assets	–	(12,497)	–	223,850
Interest and Fiscal Charges	(488,510)	(380,186)	(550,543)	(581,505)
	(474,639)	(209,094)	(283,726)	501,408
Income Before Operating Transfers and Capital Contributions	1,175,094	931,751	397,714	2,067,015
Capital Contributions	–	764,882	764,882	1,122,886
Transfers	(530,000)	(537,000)	(582,654)	(960,492)
CHANGE IN NET POSITION	645,094	1,159,633	579,942	2,229,409
Net Position Beginning of Year	20,796,340	21,441,434	22,230,117	22,810,059
Net Position End of Year	$21,441,434	$22,601,067	$22,810,059	$25,039,468

Note: The beginning fund balance for the December 31, 2023 fiscal year is different than the ending fund balance for the June 30, 2023 fiscal year due to the change in the dates for the City's fiscal year.

Source: Audited Financial Statements.

Outstanding Revenue Bonds*

The following is a list of the City's outstanding System Revenue Bonds including the Series 2025 Bonds:

	Amount
Combined Waterworks and Sewerage System Revenue Bonds, Series 2014	$ 6,480,000
Combined Waterworks and Sewerage System Revenue Bonds, Series 2021	4,855,000
Combined Waterworks and Sewerage System Revenue Bonds, Series 2023	4,760,000
Combined Waterworks and Sewerage System Revenue Bonds, Series 2025	8,105,000
	$24,200,000

Debt Service Requirements*

The following table sets forth the debt service requirements on the City's combined waterworks and sewerage system bonds following the issuance of the Series 2025 Bonds.

Fiscal	Outstanding Bonds		The Series 2025 Bonds		Total Debt
Year	Principal	Interest	Principal	Interest	Service
2026	$ 675,000	$ 564,930	$ 245,000	$ 226,642	$ 1,711,572
2027	695,000	540,230	245,000	345,606	1,825,836
2028	725,000	513,830	260,000	333,356	1,832,186
2029	755,000	485,749	270,000	320,356	1,831,105
2030	780,000	457,639	285,000	306,856	1,829,495
2031	810,000	428,309	300,000	292,606	1,830,915
2032	840,000	397,421	315,000	277,606	1,830,028
2033	875,000	367,171	330,000	261,856	1,834,028
2034	905,000	335,278	345,000	245,356	1,830,634
2035	935,000	304,158	365,000	228,106	1,832,264
2036	970,000	271,483	380,000	209,856	1,831,339
2037	1,005,000	237,608	395,000	194,656	1,832,264
2038	1,045,000	202,215	410,000	178,856	1,836,071
2039	1,080,000	167,913	430,000	162,456	1,840,369
2040	515,000	131,775	445,000	145,256	1,237,031
2041	535,000	115,625	465,000	127,456	1,243,081
2042	555,000	98,850	485,000	108,856	1,247,706
2043	570,000	80,663	500,000	89,456	1,240,119
2044	590,000	61,569	525,000	68,831	1,245,400
2045	605,000	41,706	545,000	47,175	1,238,881
2046	630,000	21,294	565,000	24,013	1,240,307
Total	$16,095,000	$5,825,416	$8,105,000	$4,195,213	$34,220,630

* Subject to change

Historical Debt Service Coverage

The following table sets forth historical debt service coverage based on operating results of the System for the past four fiscal years.

	Fiscal Year Ending			
	6/30/2022	6/30/2023	12/31/2023	12/31/2024
Operating Revenue[1]	$4,547,445	$4,513,739	$4,420,562	$5,331,928
Miscellaneous	17,690	2,582	5,593	2,998
Total	4,565,135	4,516,321	4,426,155	5,334,926
Current Expenses Excluding Depreciation, Amortization and Capital Expenditures[2]	1,512,895	1,806,543	2,011,666	1,935,810
Net Revenues Available for Debt Service	$3,052,240	$2,709,778	$2,414,489	$3,599,116
Debt Service on Revenue Bonds	$944,036	$1,033,264	$1,110,532	$1,052,748
Debt Service Coverage	3.19x	2.70x	2.17x	3.41x

(1) Although the Bond Ordinance allows the City to include interest earnings in its computation of debt coverage, the computation of debt coverage above excludes interest earnings.

(2) Excludes transfers made to the General Fund for reimbursement of costs incurred relating to water and sewer service and to pay a portion of outstanding balances on outstanding certificates of participation.

Note: Large changes in revenues, expenditures and debt service coverage for the fiscal year ending December 31, 2023, compared to prior years, are attributable to the change in the City's fiscal year.

Source: The revenues and expenses set forth above were derived from the City's audited financial statements.

Projected Debt Service Coverage*

The following table sets forth projected debt service coverage for the current Fiscal Year and 2026 and 2027 Fiscal Years.

	Fiscal Year Ending December 31		
	2025	2026	2027
Operating Revenue[1]	$5,536,763	$5,758,234	$5,988,563
Miscellaneous	335,967	144,000	144,000
Total	5,872,730	5,902,234	6,132,563
Current Expenses Excluding Depreciation, Amortization and Capital Expenditures[2]	1,942,414	2,000,687	2,060,707
Net Revenues Available for Debt Service	3,930,316	3,901,547	4,071,856
Debt Service on Revenue Bonds	1,243,880	1,711.572	1,825,836
Debt Service Coverage	3.16x	2.28x	2.23x

* Subject to change

Footnotes to Prior Page

(1) Projections for 2025 are based on the budget and year-to-date results. Projections for 2026 and 2027 are based on a 4% increase in revenue as a result of projected rate increases. Revenues exclude grant revenue and growth in the number of customers.

(2) Expenses reflect a 3% increase in 2026 and 2027. Excludes transfers made to the General Fund for reimbursement of costs incurred relating to water and sewer service.

Source: City of Warrenton Finance Manager.

Future Debt

As noted hereinbefore, the City may seek voter approval of additional combined waterworks and sewerage system revenue bonds in the next 10 years for additional improvements to the treatment plant.

THE PROJECT

Project Description

The Series 2025 Bonds are the second and final series of $13,000,000 bonds authorized at an election held on April 4, 2023 for the purpose of acquiring, constructing, extending and improving the combined waterworks and sewerage system of the City, including the construction of a new water tower and the expansion of the existing wastewater treatment plant and collection system and the acquisition of real estate and easements related thereto.

Bids for the Project were accepted in December 2024. A construction contract was awarded to KCI Construction Company in the amount of $14,633,193 for the wastewater treatment plant and $3,800,541 for a Water Storage Facility and Well.

The project is being financed with proceeds from the Series 2025 Bonds together with $3,159,753 from grants and $1,400,000 appropriated by the City in 2025. Additional funds are expected to be appropriated in 2026 based on financing shortfalls, if any.

The City's consulting engineer for the Project is Gonzalez Companies L.L.C., St. Louis, Missouri. Construction of the water storage project is expected to be completed within 18 months and construction of the treatment plant will be completed within 24 months. If any funds remain following completion of the water projects and payment of engineering fees, then the funds will be used to begin construction of the sewer treatment plant improvements.

* Subject to change

Estimated Sources and Uses of Funds*

The estimated sources and uses of funds are set forth below.

Sources of Funds	
Proceeds of the Series 2025 Bonds(1)	$ 8,349,865
Grants	3,159,753
Cash on Hand(2)	1,400,000
Interest During Construction(3)	123,281
Total	$13,032,899
Uses of Funds	
Project Costs(4)	$12,861,283
Costs of Issuance Including the Municipal Bond Insurance Policy Premium	171,616
Total	$13,032,899

(1) Based on the principal amount of the Series 2025 Bonds, plus the estimated net original issue premium and less the estimated underwriter's discount.
(2) During the 2025 Fiscal Year, the City appropriated $1,400,000 for Project costs and will appropriate additional funds as needed to complete the Project.
(3) Based on an assumed rate of 3.0% and a 24 month construction period although the construction for portions of the Project may extend over the next three years.
(4) Includes engineering fees.

RATINGS

It is anticipated that S&P Global Ratings, a division of S&P Global Inc. ("S&P"), will assign the Series 2025 Bonds the rating of "AA" conditioned upon the issuance by the Insurer at the time of delivery of the Series 2025 Bonds of a Municipal Bond Insurance Policy guaranteeing the scheduled payment of principal of and interest on the Series 2025 Bonds when due. S&P has also assigned an underlying rating of "A+" reflecting its evaluation of the investment quality of the Series 2025 Bonds without regard to the Municipal Bond Insurance Policy.

The ratings reflect only the view of the rating agency and any desired explanation of the significance of the ratings should be obtained from the rating agency. Generally, a rating agency bases its rating on the information and material furnished to it and on investigations, studies and assumptions of its own. There is no assurance that a rating will continue for any given period of time or that it may not be lowered or withdrawn entirely by the rating agency. Such lowering or withdrawal may have an adverse effect on the market price of the Series 2025 Bonds.

LEGAL MATTERS

All matters incident to the authorization and issuance of the Series 2025 Bonds are subject to the approval of Gilmore & Bell, P.C., St. Louis, Missouri, Bond Counsel. Bond Counsel has participated only in the preparation of the cover page of this Official Statement and of those portions of this Official Statement captioned "THE SERIES 2025 BONDS", "LEGAL MATTERS," "TAX MATTERS," "CONTINUING DISCLOSURE UNDERTAKING – Description of Undertaking," "APPENDIX B – SUMMARY OF THE BOND ORDINANCE" and "APPENDIX C – CONTINUING DISCLOSURE UNDERTAKING." Bond Counsel accordingly expresses no opinion as to the accuracy or sufficiency of other portions of this Official Statement.

* Subject to change

Certain legal matters will be passed upon by Thompson Coburn LLP, St. Louis, Missouri, as Underwriter's Counsel.

TAX MATTERS

The following is a summary of the material federal and State of Missouri income tax consequences of holding and disposing of the Series 2025 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 Series 2025 Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Missouri, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Series 2025 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 Series 2025 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 Series 2025 Bonds:

Federal and Missouri Tax Exemption. The interest on the Series 2025 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is exempt from income taxation by the State of Missouri.

Alternative Minimum Tax. Interest on the Series 2025 Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax.

Bank Qualification. The Series 2025 Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

Bond counsel's opinions are provided as of the date of the original issue of the Series 2025 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 Series 2025 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The City has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Series 2025 Bonds in gross income for federal and Missouri income tax purposes retroactive to the date of issuance of the Series 2025 Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Series 2025 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 Series 2025 Bond over its issue price. The stated redemption price at maturity of a Series 2025 Bond is the sum of all payments on the Series 2025 Bond other than "qualified stated interest" (*i.e.*, interest unconditionally payable at least annually at a single fixed rate). The issue price of a Series 2025 Bond is generally the first price at which a substantial amount of the Series 2025 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 Series 2025 Bond during any accrual period generally equals (1) the issue price of that Series 2025 Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Series 2025 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 Series 2025 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 Series 2025 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 Series 2025 Bond over its stated redemption price at maturity. The stated redemption price at maturity of a Series 2025 Bond is the sum of all payments on the Series 2025 Bond other than "qualified stated interest" (*i.e.*, interest unconditionally payable at least annually at a single fixed rate). The issue price of a Series 2025 Bond is generally the first price at which a substantial amount of the Series 2025 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 Series 2025 Bond using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the Series 2025 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 Series 2025 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 Series 2025 Bonds. Upon the sale, exchange or retirement (including redemption) of a Series 2025 Bond, an owner of the Series 2025 Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property actually or constructively received on the sale, exchange or retirement of the Series 2025 Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Series 2025 Bond. To the extent a Series 2025 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 Series 2025 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 Series 2025 Bonds, and to the proceeds paid on the sale of the Series 2025 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 Series 2025 Bonds should be aware that ownership of the Series 2025 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 Series 2025 Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Series 2025 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 Series 2025 Bonds, including the possible application of state, local, foreign and other tax laws.

Bond Counsel notes that the interest on the Series 2025 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.

MUNICIPAL ADVISOR

WM Financial Strategies, St. Louis, Missouri (the "Municipal Advisor") is a registered Municipal Advisor with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor is employed by the City to render certain professional services, including advising the City on a plan of financing and assisting in preparing the Official Statement for the sale of the Series 2025 Bonds. The Municipal Advisor does not guaranty, warrant or represent the accuracy or completeness of the information contained in this Official Statement.

UNDERWRITING

Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), has agreed to purchase the Series 2025 Bonds from the City at a price equal to $_______________ (representing the original principal amount of the Series 2025 Bonds, plus a net original issue premium of $____________, and less an underwriting discount of $_________). The Series 2025 Bonds may be offered and sold to certain dealers and others at prices lower than the initial public offering price, and such initial offering price may be changed from time to time.

The Underwriter is purchasing the Series 2025 Bonds from the City for resale in the normal course of the Underwriter's business activities. The Underwriter intends to offer the Series 2025 Bonds to the public initially at the offering prices set forth on the inside cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriter reserves the right to offer any of the Series 2025 Bonds to one or more purchasers on such terms and conditions and at such price or prices as the Underwriter, in its discretion, shall determine.

The Underwriter and its affiliates comprise a full service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriter and its affiliates may have provided, and may in the future provide, a variety of these services to the City and to persons and entities with relationships with the City, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, the Underwriter and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the City (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the City.

The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the City.

NO LITIGATION CERTIFICATE

Simultaneously with the delivery of the Series 2025 Bonds the City will furnish to the Underwriter a certificate which shall state, that to its knowledge there is no controversy, suit or other proceeding of any kind threatened or, to its knowledge pending in any court (either state or federal) restraining or enjoining the issuance or delivery of the Series 2025 Bonds or questioning (i) the proceeding under which the Series 2025 Bonds are to be issued, (ii) the validity of the Series 2025 Bonds, (iii) the pledge of the revenues under the Bond Ordinance, or (iv) the legal existence of the City or the title to office of the present officials of the City.

CERTIFICATION OF OFFICIAL STATEMENT

Simultaneously with the delivery of the Series 2025 Bonds, the City will furnish to the Underwriter a certificate which shall state, among other things, that the City has not made an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made in this Official Statement, in the light of the circumstances under which they were made, not misleading. Notwithstanding the foregoing, the City makes no representations with respect to the disclosures provided by the Underwriter included under "UNDERWRITING," or disclosures included in "APPENDIX D – BOND INSURANCE AND SPECIMEN MUNICIPAL BOND INSURANCE POLICY" and "APPENDIX E - BOOK-ENTRY SYSTEM."

CONTINUING DISCLOSURE UNDERTAKING

Description of Undertaking

The City will covenant in a Continuing Disclosure Undertaking to provide certain financial information and operating data relating to the City. The form of the Continuing Disclosure Undertaking is included in APPENDIX C to this Official Statement.

Prior Compliance

To the best of the City's knowledge and belief it has fully complied with its prior continuing disclosure obligations.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or holders of any of the Series 2025 Bonds. Any statement made in this Official Statement involving matters of opinion is intended merely as an opinion and not as a representation of fact. The information and expressions of opinion contained 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.

CITY OF WARRENTON, MISSOURI

BY: ____________________________
Mayor

APPENDIX A

CITY OF WARRENTON
FINANCIAL STATEMENTS

DECEMBER 31, 2024

The following are the financial statements for the fiscal year ended December 31, 2024. Financial statements for prior years and the budget for the fiscal year ending December 31, 2025 may be obtained from the City.

INDEX

City of Warrenton
200 West Booneslick Warrenton, MO 63383
Phone: 636-456-3535 Fax: 636-456-8135
www.warrenton-mo.org

July 9, 2025

Mayor, Members of the Board of Aldermen and Citizens of
the City of Warrenton, Missouri:

The Annual Comprehensive Financial Report (ACFR) of the City of Warrenton, Missouri (the City) for the fiscal year ended December 31, 2024, is hereby submitted. Responsibility for both the accuracy and the completeness rests with the City. To the best knowledge and belief of management, the data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included. An independent audit has been completed on the financial statements and disclosures; the auditor's report on the financial statements has also been included.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

The City defines its financial reporting entity in accordance with the provisions established by the Government Accounting Standards Board (GASB). GASB requirements for inclusion of component units are primarily based on whether the City's governing body has any significant amount of financial accountability for legally separate entities. The City includes the Industrial Development Authority of the City of Warrenton, Missouri (IDA) in its reporting entity. The IDA is a legally separate entity from the City. However, the City has significant influence over the activities of the IDA and is, therefore, reported in the City's financial statements. All funds, agencies, boards, commissions, and authorities for which the City is financially accountable have been included.

PROFILE OF THE CITY

Warrenton had its start in the 1830s as a planned community which was to hold the county seat. The community took its name from Warren County. Warrenton is established on a strong agricultural foundation with a light industrial sub-base. Warrenton is located off Interstate 70 within an hour drive of downtown St. Louis to the east, and the university town of Columbia, MO to the west. This central location makes it logistically ideal for transportation of goods. It also makes Warrenton a central refueling point for travelers headed to the large variety of tourist attractions like the Lake of the Ozarks, the Missouri wine trails, and historical sites such as the Booneslick Trail and Daniel Boone home.

Established in 1864, Warrenton was named for Joseph Warren, who served as President of the Revolutionary Massachusetts Provincial Congress. Warrenton, a fourth-class City, operates under a Mayor-Board of Aldermen form of government.

The area's natural beauty and westward expansion has brought many families and businesses to Warrenton. Today, over 9,000 people call Warrenton home. Warrenton has several parks open for the enjoyment of residents. An athletic complex is home to little league soccer, baseball, softball, and tee ball. Binkley Woods Park and Spectator Lake offer walking trails, fishing accessibility, a small playground and barbecue grills. Dyer Park offers playgrounds, basketball hoops, and tennis courts, as well as an outdoor stage for concerts and other events. Khoury Park has two baseball fields, basketball hoops, and a playground. Morgan Park offers a tennis court. The city Pool Park features an indoor/outdoor pool, dog-friendly trails, walking trails, a dog park, and a Frisbee golf course.

Warrenton is proud to be a city that provides law enforcement, planning and development, code enforcement, parks and recreation, general administration, infrastructure construction and maintenance (roadways, sidewalks, stormwater systems, snow removal, etc.), street lighting, water, sewer services and contracted solid waste collection.

Additional information is available on the City's website at www.Warrenton-mo.org.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy. The 2025 budget includes an overall 3% increase in revenues and an 85% increase in expenditures compared to the 2024 actual amounts. The main contributors to the large increase in expenditures are the salary study wage increases and $1.1 million in capital expenditures for the General Fund, $1.6 million in capital expenditures for the Transportation Fund, and $18.3 million in capital expenditures for the Water and Sewer Fund.

Residential growth includes 57 new homes built and under construction, two new subdivisions totaling 64 lots, as well as two new apartment complexes totaling 72 units. The commercial landscape in the City remains positive as well. There is continued growth in the TIF incentivized redevelopment at the Shoppes at Warrenton. Next Level Player Development has been completed and will open at the beginning of next year. Other newly constructed commercial buildings in the next year will include a 120,000 square foot Elementary School, The Hampton Inn Hotel, and Dobbs Tire and Auto Center.

Long-Term Financial Planning. Long term financial planning by the board and staff is reviewed annually as a part of the budget process. In 2021, the City issued $5.3 million in debt to fund the expansion of sewer interceptors serving the north and southwestern quadrants, supporting future development in those areas. In 2023, an additional $4.9 million in debt was issued for improvements and expansion to the wastewater treatment plant, ensuring the infrastructure can meet increased demand.

Additional dedicated sales tax, approved by the voters, funded a second interchange on highway I-70. Completion of this project in 2018 and TIF incentives has spurred development in the area. Rural King is a key anchor store to the area and the retail center has increased occupied spaces. Sales tax above the planned amount has allowed the City to pay down the debt by $7.5 million above scheduled payments in the first seven years and anticipates paying off the remaining balance in the first quarter of 2025.

Relevant Financial Policies. The City has both investment and purchasing polices. The investment and purchasing policies have been established to protect city funds and ensure a fair vendor environment in addition to complying with statutory requirements.

SIGNIFICANT EVENTS AND ACCOMPLISHMENTS

During the 2024 fiscal year, the City continued several significant projects that reflect many years of work and continue to look forward toward the next set of projects.

The southwest interceptor project is the last project to come from the $5.3 million in bonds that were issued in July 2021 which was the second series of $15.5 million approved by voters in 2014. This project was started this year and should be completed at the end of 2025. Project engineering for the wastewater treatment plant expansion was completed in 2024, and construction will commence in 2025. This project along with the new water tank on the south gradient will be completed utilizing the $4.895 million in bonds that were issued in September 2023.

Construction of the Veterans Memorial Parkway sidewalks was completed with the assistance of a TAP Grant that was just over $520 thousand.

Phase 1 of the Boonslick sidewalk replacement and enhancement was completed and phase 2 will be completed in 2025.

The water department rehabilitated the well 6 water tower and installed new electric controls at wells 4, 6 and 9. Construction of the West Booneslick Watermain Loop was completed to increase capacity and redundancy to the water system to the west. These upgrades along with other various improvements and maintenance ensure a safe and reliable water system for the residents of Warrenton.

Construction has been completed at the Warrenton Athletic Complex for the $1.0 million turf project in which the City partnered with Game 7 Baseball Inc.

The City completed a salary study for all positions and the increases for the employees was presented and approved by the Board of Alderman. All increases will be effective as of January 1st, 2025.

The Annual Comprehensive Financial Report (ACFR) for the fiscal year ended December 31, 2023, was the City's third awarded Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting. The City is also submitting this ACFR to the GFOA for the year ending December 31, 2024 for review. This prestigious award recognizes conformance with the highest standards for preparation of state and local government financial reports. To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized ACFR in addition to satisfying both generally accepted accounting principles and applicable legal requirements.

FINANCIAL INFORMATION

The City's accounting system is designed around the following basic principles:

1. The City finances are comprised of "funds" which in many ways act as subsidiaries would in the private sector. A fund is an accounting entity with a complete set of self-balancing accounting records which are established to accomplish a specific purpose.

2. Internal controls exist within the accounting system to maintain the accuracy of financial reporting. These internal controls are established to be consistent with sound management practices based on the cost/benefit of the controls imposed.

3. In addition, the City maintains budgetary controls at the fund level. The objective of these controls is to ensure compliance with legal provisions. The annual appropriation ordinance includes all reported funds and gives the City its legal authority to spend the adopted amount for the City’s governmental funds. Management expects each Department Director to stay within their individual departmental budgets; however, budget amendments are required if the fund exceeds annual appropriations. The Finance Department continually strives to provide accurate and timely financial information, as well as maintain an adequate system of controls to meet its responsibility of sound financial management.

ACKNOWLEDGMENTS

Completion of documents of this magnitude requires assistance from every level of employee from all departments. Therefore, thanks are in order to the members of City staff who compile information, perform day-to-day operations, and provide assistance with statistical information contained within this report.

In addition, none of this could be accomplished without the leadership of the Mayor, Board of Aldermen and City Administrator who remain committed to a just, transparent, and responsible City government for the citizens of Warrenton who have made this document a priority toward fulfilling these goals.

Respectfully submitted,

Meghan Waelder

Meghan Waelder
Finance Officer

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members of
the Board of Aldermen
CITY OF WARRENTON, MISSOURI

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Warrenton, Missouri, 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. Our responsibilities under those 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 City of Warrenton, Missouri, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibility 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 City of Warrenton, Missouri's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 generally accepted 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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 City of Warrenton, Missouri's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Warrenton, Missouri's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedule of changes in net pension liability and related ratios and schedule of employer contributions 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.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Warrenton, Missouri's basic financial statements. The combining balance sheet - nonmajor funds, combining statement of revenue, expenditures and changes in fund balances - nonmajor funds, and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates 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, the 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 opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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.

UHY LLP

St. Charles, Missouri
July 9, 2025

CITY OF WARRENTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2024

The discussion and analysis of the City of Warrenton's financial performance provides an overview and analysis of the City's financial activities for the fiscal year ended December 31, 2024. It should be read in conjunction with the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City of Warrenton, Missouri exceeded its liabilities and deferred inflows at the close of the fiscal year ending December 31, 2024 by $43,559,505 (net position), an increase of $5,650,445 in comparison with the prior year.
- At the close of the fiscal year, the City of Warrenton's governmental activities reported ending net position of $18,520,037 an increase of $3,421,036 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was $1,962,810 and increase of 423,750.
- The City made an additional $2,000,000 principal payment on its outstanding loan from the Missouri Transportation Finance Corporation. This loan was originally used to finance the new interchange with I-70.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements are comprised of three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of Warrenton's finances, in a manner similar to a private-sector business. The Statement of Net Position presents information on all of the City of Warrenton's assets, deferred outflows, liabilities, and deferred inflows with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating. The Statement of Net Position combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations. Other nonfinancial factors should also be taken into consideration to assess the overall health or financial condition of the City, such as changes in the City's property tax base and the condition of the City's infrastructure (i.e. roads, drainage improvements, etc.). The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but not used vacation and sick leave). Both the Statement of Net Position and the Statement of Activities are prepared utilizing the accrual basis of accounting as opposed to the modified accrual basis used in the fund financial statements.

In the Statement of Net Position and the Statement of Activities, the City is divided into three kinds of activities:

- **Governmental Activities** - Most of the City's basic services are reported here, including the police and court, planning and zoning, economic development, transportation, grounds maintenance, recreation, pool, and general administration departments. Property taxes, sales taxes, franchise fees, trash collections, and licenses and permit fees finance most of these activities.
- **Business-type Activities** - The City charges a fee to customers to help it cover all or most of the cost of certain services provided. The City's water and sewer system and wastewater treatment plant are reported here.
- **Component Units** - The City includes the Industrial Development Authority of the City of Warrenton, Missouri (IDA) in its reporting entity. The IDA is a legally separate entity from the City. However, the City has significant influence over the activities of the IDA and is, therefore, reported in the City's financial statements.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by state law or by bond covenants. However, the City establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. The City's two kinds of funds, governmental and proprietary, utilize different accounting approaches.

- **Governmental Funds** - The majority of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted into cash.

  The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide statements, readers may better understand the long-term effect of the government's near-term financing decisions. The relationships or differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are detailed in a reconciliation following the fund financial statements.

  The City of Warrenton maintains nine 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, Interchange Fund, and Transportation Fund which are considered to be major funds. Data from the other six governmental funds are combined into a single, aggregated non-major fund presentation.

- **Proprietary Fund** - The City charges customers for the utility services it provides, whether to outside customers or customers within the City. These services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The City's proprietary fund is identical to the business-type activities that are reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

Notes to the Financial Statements and Other Information

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements. In addition to the basic financial statements and accompanying notes, this report presents budgetary comparative information for City's governmental funds.

THE CITY AS A WHOLE

Government-wide Financial Analysis

The City's combined net position was $43,559,505 as of December 31, 2024. This analysis focuses on the net position and changes in revenues and significant expenses of the City's governmental and business-type activities.

The largest portion of the City's net position is reflected in its net investment in capital assets (e.g., land, buildings, and equipment), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Governmental Activities

	2024	2023	Variance
Current and other assets	$ 10,745,013	$ 11,042,131	$ (297,118)
Capital assets	22,043,453	22,335,169	(291,716)
Total assets	32,788,466	33,377,300	(588,834)
Total deferred outflows of resources	365,286	315,931	49,355
Current and other liabilities	1,840,080	1,936,358	(96,278)
Long-term liabilities	12,702,153	16,572,969	(3,870,816)
Total liabilities	14,542,233	18,509,327	(3,967,094)
Total deferred inflows of resources	91,482	84,903	6,579
Net position:			
Net investment in capital assets	16,386,460	16,220,343	166,117
Restricted	6,913,015	7,579,808	(666,793)
Unrestricted	(4,779,438)	(8,701,150)	3,921,712
Total net position	$ 18,520,037	$ 15,099,001	$ 3,421,036

Business-type Activities

	2024	2023	Variance
Current and other assets	$ 12,264,289	$ 12,466,278	$ (201,989)
Capital assets	31,468,133	28,682,834	2,785,299
Total assets	43,732,422	41,149,112	2,583,310
Total deferred outflows of resources	77,081	66,488	10,593
Current and other liabilities	1,210,098	338,118	871,980
Long-term liabilities	17,552,120	18,057,109	(504,989)
Total liabilities	18,762,218	18,395,227	366,991
Total deferred inflows of resources	7,817	10,314	(2,497)
Net position:			
Net investment in capital assets	16,829,668	16,756,522	73,146
Restricted	129,350	538,790	(409,440)
Unrestricted	8,080,450	5,514,747	2,565,703
Total net position	$ 25,039,468	$ 22,810,059	$ 2,229,409

Total Governmental and Business-type Activities

	2024	2023	Variance
Current and other assets	$ 23,009,302	$ 23,508,409	$ (499,107)
Capital assets	53,511,586	51,018,003	2,493,583
Total assets	76,520,888	74,526,412	1,994,476
Total deferred outflows of resources	442,367	382,419	59,948
Current and other liabilities	3,050,178	2,274,476	775,702
Long-term liabilities	30,254,273	34,630,078	(4,375,805)
Total liabilities	33,304,451	36,904,554	(3,600,103)
Total deferred inflows of resources	99,299	95,217	4,082
Net position:			
Net investment in capital assets	33,216,128	32,976,865	239,263
Restricted	7,042,365	8,118,598	(1,076,233)
Unrestricted	3,301,012	(3,186,403)	6,487,415
Total net position	$ 43,559,505	$ 37,909,060	$ 5,650,445

Governmental and business-type activities increased the City's net position by $5,650,445 during the year ended December 31, 2024. The following tables provide details on the revenues and expenses of the City.

Governmental Activities

	2024	2023	Variance
Revenues:			
Program revenues:			
Charges for service	$ 1,565,333	$ 1,424,602	$ 140,731
Grants and contributions	1,312,374	3,353,144	(2,040,770)
General revenues:			
Taxes	9,310,864	8,532,861	778,003
Interest income	368,673	297,151	71,522
Miscellaneous	62,526	92,839	(30,313)
Total revenues	12,619,770	13,700,597	(1,080,827)
Expenses:			
Administration	2,107,991	1,929,090	178,901
Police and Court	3,205,914	2,855,453	350,461
Street department	2,116,718	921,550	1,195,168
Culture and recreation	1,816,969	1,802,226	14,743
Planning and development	464,571	460,554	4,017
Interest and fiscal charges	447,063	492,919	(45,856)
Total expenses	10,159,226	8,461,792	1,697,434
Increase (decrease) in net position before transfers	2,460,544	5,238,805	(2,778,261)
Transfers	960,492	582,654	377,838
Change in net position	3,421,036	5,821,459	(2,400,423)
Net position, beginning of year	15,099,001	9,277,542	5,821,459
Net position, end of year	$ 18,520,037	$ 15,099,001	$ 3,421,036

Charges for services increased in 2024 compared to the prior year by $140,731, most of this increase was in fees charged to the school district due to an increase in the number of police officers present at the schools. Grants and contributions were higher in 2023 compared 2024 due to the dedication of streets and sidewalks to the City of approximately $2 million in the prior year. Taxes increased approximately 9% in 2024 compared to 2023, this was almost entirely an increase in sales taxes.

Generally, the most significant governmental expense for the City is the police and court function. Of the total police and court expense, slightly less than $2.5 million was incurred for salary and benefits. The increase in 2024 compared to 2023 was mostly attributable the filling of vacant positions. The increase in the Administration function was due to a number of factors the largest being trash service fees, this is passed on to the users of trash services. The increase in Street department expenses was mainly due to improvements made to the City's water system near the new interchange. These improvements were paid for by governmental funds and therefore were an expense to governmental activities, however, the asset will be reflected in the Enterprise Fund and depreciated in that fund.

Business-type Activities

	2024	2023	Variance
Revenues:			
Program revenues:			
Charges for service	$ 5,531,928	$ 4,420,562	$ 1,111,366
Capital contributions	1,557,145	764,882	792,263
General revenues:			
Interest income	424,804	266,817	157,987
Gain on sale of captial assets	223,850	-	223,850
Miscellaneous	2,998	5,593	(2,595)
Total revenues	7,740,725	5,457,854	2,282,871
Expenses:			
Water and sewer operations	4,550,824	4,295,258	255,566
Increase (decrease) in net position before transfers	3,189,901	1,162,596	2,027,305
Transfers/Capital Contributions	(960,492)	(582,654)	(377,838)
Change in net position	2,229,409	579,942	1,649,467
Net position, beginning of year	22,810,059	22,230,117	579,942
Net position, end of year	$ 25,039,468	$ 22,810,059	$ 2,229,409

Charges for service of the City's business-type activities increased $1.1 million in 2024 over 2023. The increase was due to several factors; 1) rate increase effective August 2023 of 4%; 2) increase in new connections and therefore connection fees; and 3) a substantial increase in the usage of a commercial customer on the City water and sewer system. The increase in usage by the commercial customer was the most significant factor causing the increase in charges for service. Improvements made by the City and paid for out of governmental activities resulted in an increase in capital contributions. Expenses for the City's business-type activities increased approximately $256,000 in 2024 compared to 2023. Most of the increase was due to an increase in depreciation as the City placed several large projects into service in 2024.

Total Governmental and Business-type Activities

	2024	2023	Variance
Revenues:			
Program revenues:			
Charges for service	$ 7,097,261	$ 5,845,164	$ 1,252,097
Grants and contributions	2,869,519	4,118,026	(1,248,507)
General revenues:			
Taxes	9,310,864	8,532,861	778,003
Gain in capital assets	223,850	-	223,850
Interest income	793,477	563,968	229,509
Miscellaneous	65,524	98,432	(32,908)
Total revenues	20,360,495	19,158,451	1,202,044
Expenses:			
Administration	2,107,991	1,929,090	178,901
Police and Court	3,205,914	2,855,453	350,461
Street department	2,116,718	921,550	1,195,168
Culture and recreation	1,816,969	1,802,226	14,743
Planning and development	464,571	460,554	4,017
Water and sewer service	4,550,824	4,295,258	255,566
Interest and fiscal charges	447,063	492,919	(45,856)
Total expenses	14,710,050	12,757,050	1,953,000
Change in net position	5,650,445	6,401,401	(750,956)
Net position, beginning of year	37,909,060	31,507,659	6,401,401
Net position, end of year	$ 43,559,505	$ 37,909,060	$ 5,650,445

The following table presents the amount of governmental funds revenue from various sources on the modified accrual basis of accounting for the years ended December 31.

Governmental Funds

	2024	2023	Variance
Taxes	$ 9,555,324	$ 8,774,517	$ 780,807
Intergovernmental	1,059,937	1,361,743	(301,806)
Charges for services	1,168,270	1,015,228	153,042
Licenses and permits	266,979	262,166	4,813
Fines and forfeitures	130,084	147,208	(17,124)
Investment income	368,673	297,151	71,522
Lot sales	21,200	21,141	59
Miscellaneous	41,326	29,356	11,970
Total revenues	$ 12,611,793	$ 11,908,510	$ 703,283

Charges for services increased in 2024 compared to the prior year by $153,042, most of this increase was due to an increase in the number of police officers present at the area schools. Taxes increased approximately 9% in 2024 compared to 2023, this was almost entirely an increase in sales taxes. Intergovernmental revenues decreased by $301,806 as final funds from the American Rescue Plan Act were utilized.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the fiscal year 2024, the City had a net investment of $53,511,586 in a broad range of capital assets, net of depreciation, including equipment, buildings, park facilities, roads, and water and sewer lines. This current year net investment increase including additions, deductions and depreciation was $2,493,582 or 4.9% compared to the prior fiscal year. The following are the balances as of December 31:

Governmental Activities

	2024	2023	Variance
Land	$ 2,703,241	$ 2,673,984	$ 29,257
Construction in progress	17,420	1,309,974	(1,292,554)
Buildings	8,752,162	8,805,356	(53,194)
Building improvements	760,378	781,202	(20,824)
Land improvements	3,050,626	1,979,260	1,071,366
Equipment	2,653,764	2,549,764	104,000
Infrastucture	13,938,241	13,226,950	711,291
Total	$ 31,875,832	$ 31,326,490	$ 549,342

Business-type Activities

	2024	2023	Variance
Land	$ 615,227	$ 658,549	$ (43,322)
Construction in progress	2,772,190	1,274,048	1,498,142
Buildings	8,227,142	8,283,142	(56,000)
Building improvements	7,058,083	7,040,783	17,300
Land improvements	157,619	157,619	-
Equipment	4,919,038	4,117,092	801,946
Infrastucture	27,934,922	25,438,309	2,496,613
Total	$ 51,684,221	$ 46,969,542	$ 4,714,679

Governmental and Business-type Activities

	2024	2023	Variance
Land	$ 3,318,468	$ 3,332,533	$ (14,065)
Construction in progress	2,789,610	2,584,022	205,588
Buildings	16,979,304	17,088,498	(109,194)
Building improvements	7,818,461	7,821,985	(3,524)
Land improvements	3,208,245	2,136,879	1,071,366
Equipment	7,572,802	6,666,856	905,946
Infrastucture	41,873,163	38,665,259	3,207,904
Total	$ 83,560,053	$ 78,296,032	$ 5,264,021

More detailed information on the City’s capital assets is presented in Note 5 to the financial statements.

DEBT

At the year ended December 31, 2024, the City had $28,170,366 in outstanding debt compared to $32,590,799 at the end of the prior year. The following amounts were outstanding at December 31:

Governmental Activities

	2024	2023	Variance
MTFC Loans	$ 3,045,366	$ 6,005,799	$ (2,960,433)
General Obligation Bonds	4,435,000	4,735,000	(300,000)
TIF Bonds	3,940,000	4,600,000	(660,000)
Total Governmental Activities	$ 11,420,366	$ 15,340,799	$ (3,920,433)

Business-type Activities

	2024	2023	Variance
Waterworks and Sewerage System Revenue Bonds	$ 16,750,000	$ 17,250,000	$ (500,000)

During the year, the City made principal and interest payments totaling approximately $4.4 million on debt relating to governmental activities. These payments reduced outstanding debt by approximately $3.9 million. The City also made principal and interest payments of approximately $1.1 million relating to water and sewer functions. These payments reduced outstanding debt in the business type activities by $500,000.

More detailed information on the City's long-term liabilities is presented in Note 6 to the financial statements.

THE CITY'S FUNDS

At the close of the City's year ended December 31, 2024, the governmental funds of the City reported a combined fund balance of $8,932,724. This was a decrease of $230,515 during the calendar year ended December 31, 2024.

The fund balance in the General Fund increased $448,726 to $2,044,954 during 2024. Increases in sales taxes collected offset the increase in police personnel costs, which increased due to the City's ability to fill previously vacant positions. The remaining revenue and expenditure categories did not experience significant changes compared to the prior year.

The fund balance in the Interchange Fund decreased $791,389 to $2,614,482. This fund primarily collects funds to pay the debt service on the loan which was used to construct the new interchange in the City. During 2024 the City used excess fund balance to make an unscheduled principal payment of $2 million.

The City's Transportation Fund accounts for funds received restricted for transportation related expenditures. During 2024, the fund paid out approximately what it brought in to end the year with a fund balance of $2,537,730.

General Fund Budgetary Highlights

For fiscal year 2024, actual expenditures in the General Fund were $7,446,405 compared to the budget amount of $8,071,132. The budget was increased to account for grant funds expected to be expended in 2024.

For fiscal year 2024, actual revenues were $6,537,845 as compared to the budget amount of $5,886,449. The City did not make any amendments to the General Fund budgeted revenues.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The 2025 twelve-month fiscal budget is the culmination of extensive review of operational expenses and capital needs by Department Head staff, significant analysis by Finance Office staff, overall analysis and review by the City Administrator and Director of Operations, and final review by elected officials. The total combined budget appropriation is $35,073,454 for all funds which includes approximately $20,894,948 in capital improvements.

The General Fund's most significant revenue source is sales tax. The City's portion of the sales tax rate is 2.75%. Sales tax revenue for fiscal year 2025 is budgeted at $7,637,818 which includes $2,677,610 generated by the two sales taxes to be used specifically for payment of the debt on the new I-70 interchange. Of the sales tax projection $604,700 is budgeted in the Capital Sales Tax Fund. The property tax rate for 2025 is $0.4665 per $100 valuation. Of this tax rate, 63% or $0.2930 is utilized for General Fund activities. The remaining 37% or $0.1735 is used for the Park Fund. The General Fund's portion of property tax revenue for fiscal year 2024 is estimated to be $406,809.

The largest source of revenue for the Water and Sewer Fund is sewer charges, estimated at $3,800,487. The City’s residential rate for fiscal year 2025 is $5.27 per 1,000 gallons over the 1,000 minimum billing. The second largest revenue source for the Water and Sewer Fund is water charges, estimated at $1,616,575 based on a fiscal year 2025 rate of $5.74 per 1,000 gallons over the 1,000 minimum billing.

Residential growth includes 57 new homes built and under construction, two new subdivisions totaling 64 lots, as well as two new apartment complexes totaling 72 units. The commercial landscape in the City remains positive as well. There is continued growth in the TIF incentivized redevelopment at the Shoppes at Warrenton. Next Level Player Development has been completed and will open at the beginning of next year. Other newly constructed commercial buildings in the next year will include a 120,000 square foot Elementary School, The Hampton Inn Hotel, and Dobbs Tire and Auto Center.

CONTACTING THE CITY’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives.

If you have questions about this report or need additional financial information, contact:

Meghan Waelder
Finance Officer
City of Warrenton
200 W. Booneslick
Warrenton, Missouri 63383

CITY OF WARRENTON, MISSOURI

STATEMENT OF NET POSITION

DECEMBER 31, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	$ 7,759,654	$ 7,943,515	$ 15,703,169
Taxes receivable:			
Property	658,822	-	658,822
Other	1,772,151	-	1,772,151
Special assessments receivable	3,422	-	3,422
Accounts receivable, net of allowance	115,166	618,130	733,296
Internal balances	19,855	(19,855)	-
Prepaid expenses	31,486	16,212	47,698
Inventory	21,107	11,653	32,760
Restricted assets:			
Cash and investments	363,350	3,694,634	4,057,984
Capital assets - net			
Nondepreciable	2,720,661	3,387,417	6,108,078
Depreciable	19,322,792	28,080,716	47,403,508
TOTAL ASSETS	32,788,466	43,732,422	76,520,888
DEFERRED OUTFLOWS			
Deferred outflow related to pension	365,286	77,081	442,367
LIABILITIES			
Accounts payable and retainage	689,129	948,790	1,637,919
Accrued wages	198,426	44,066	242,492
Accrued interest payable	87,784	-	87,784
Accrued and withheld items	41,551	-	41,551
Unearned revenue	742,666	-	742,666
Deposits payable	80,524	217,242	297,766
Noncurrent liabilities:			
Due in one year - debt and compensated absences	2,023,870	711,753	2,735,623
Due in more than one year:			
Debt and compensated abenses	9,676,207	16,582,827	26,259,034
Net pension liability	1,002,076	257,540	1,259,616
TOTAL LIABILITIES	14,542,233	18,762,218	33,304,451
DEFERRED INFLOWS			
Deferred inflow related to pension	91,482	7,817	99,299
NET POSITION			
Net investment in capital assets	16,386,460	16,829,668	33,216,128
Restricted for:			
Capital improvements	286,532	-	286,532
Debt service	3,557,531	-	3,557,531
Streets	2,537,730	-	2,537,730
Cemetery maintenance	28,204	-	28,204
Park	503,018	-	503,018
Reserve	-	129,350	129,350
Unrestricted	(4,779,438)	8,080,450	3,301,012
TOTAL NET POSITION	$ 18,520,037	$ 25,039,468	$ 43,559,505

The accompanying notes are an integral part of these financial statements.

CITY OF WARRENTON, MISSOURI

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2024

		Program Revenue			Net (Expense) Revenue and Change in Net Position		
Functions/Programs	Expenses	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
Administrative	$ 2,107,991	$ 709,922	$ 620,909	$ -	$ (777,160)	$ -	$ (777,160)
Police and court	3,205,914	400,300	5,388	-	(2,800,226)	-	(2,800,226)
Street department	2,116,718	-	-	686,077	(1,430,641)	-	(1,430,641)
Culture and recreation	1,816,969	225,156	-	-	(1,591,813)	-	(1,591,813)
Planning and development	464,571	229,955	-	-	(234,616)	-	(234,616)
Interest and fiscal charges	447,063	-	-	-	(447,063)	-	(447,063)
TOTAL GOVERNMENTAL ACTIVITIES	10,159,226	1,565,333	626,297	686,077	(7,281,519)	-	(7,281,519)
Business-type Activities							
Water and Sewer	4,550,824	5,531,928	-	1,557,145	-	2,538,249	2,538,249
TOTAL PRIMARY GOVERNMENT	$ 14,710,050	$ 7,097,261	$ 626,297	$ 2,243,222	(7,281,519)	2,538,249	(4,743,270)
General revenues:							
Taxes:							
Sales					7,841,073	-	7,841,073
Franchise					655,199	-	655,199
Property					814,592	-	814,592
Interest income					368,673	424,804	793,477
Other miscellaneous revenue					62,526	2,998	65,524
Gain on disposal of capital assets					-	223,850	223,850
Interfund transfers					960,492	(960,492)	-
TOTAL GENERAL REVENUES AND TRANSFERS					10,702,555	(308,840)	10,393,715
CHANGE IN NET POSITION					3,421,036	2,229,409	5,650,445
NET POSITION - BEGINNING OF YEAR					15,099,001	22,810,059	37,909,060
NET POSITION - END OF YEAR					$ 18,520,037	$ 25,039,468	$ 43,559,505

The accompanying notes are an integral part of these financial statements.

CITY OF WARRENTON, MISSOURI

BALANCE SHEET - GOVERNMENTAL FUNDS

DECEMBER 31, 2024

	General Fund	Interchange Fund	Transportation Fund	Other Nonmajor Funds	Total
ASSETS AND OTHER DEBITS					
Cash and investments	$ 1,967,060	$ 2,356,156	$ 2,671,557	$ 764,881	$ 7,759,654
Taxes receivable:					
Property	413,794	-	-	245,028	658,822
Other	633,605	468,966	242,034	427,546	1,772,151
Accounts receivable	110,839	-	-	4,327	115,166
Special assessments receivable	-	-	-	3,422	3,422
Due from other funds	46,634	-	-	-	46,634
Prepaid items	31,105	-	381	-	31,486
Inventory	11,782	-	9,325	-	21,107
Restricted assets:					
Cash and investments	38,519	-	-	324,831	363,350
TOTAL ASSETS	$ 3,253,338	$ 2,825,122	$ 2,923,297	$ 1,770,035	$ 10,771,792
LIABILITIES					
Accounts payable	$ 120,356	$ 210,000	$ 358,773	$ -	$ 689,129
Due to other funds	310	640	15,612	10,217	26,779
Accrued wages	193,259	-	5,167	-	198,426
Accrued and withheld items	38,536	-	3,015	-	41,551
Unearned revenue	742,666	-	-	-	742,666
Deposits payable	77,524	-	3,000	-	80,524
TOTAL LIABILITIES	1,172,651	210,640	385,567	10,217	1,779,075
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue:					
Property taxes	35,733	-	-	24,260	59,993
FUND BALANCES					
Nonspendable:					
Prepaid items	31,105	-	381	-	31,486
Inventory	11,782	-	9,325	-	21,107
Restricted for:					
Cemetery maintenance	-	-	-	28,204	28,204
Streets	-	-	2,528,024	-	2,528,024
Debt service	-	2,614,482		943,049	3,557,531
Capital projects	-	-	-	286,532	286,532
Parks and tourism	-	-	-	482,433	482,433
Assigned:					
Industrial development	-	-	-	794	794
Sidewalk improvements	39,257	-	-	-	39,257
Unassigned	1,962,810	-	-	(5,454)	1,957,356
TOTAL FUND BALANCES	2,044,954	2,614,482	2,537,730	1,735,558	8,932,724
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	$ 3,253,338	$ 2,825,122	$ 2,923,297	$ 1,770,035	$ 10,771,792

The accompanying notes are an integral part of these financial statements.

CITY OF WARRENTON, MISSOURI

RECONCILIATION OF THE GOVERNMENTAL BALANCE
SHEET TO THE STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2024

Amounts reported for governmental activities in the statement of net position are different because:	
Total fund balance per balance sheet	$ 8,932,724
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	22,043,453
Receivables not collected in the current period are not available to pay current expenditures and, therefore, are deferred in the funds.	59,993
Interest payable recorded in the statement of net position does not require the use of current financial resources and, therefore, is not reported in the funds.	(87,784)
Pension related items are not due and payable in the current period or are not considered current resources and, therefore, are not reported in the funds.	(728,272)
Long-term liabilities, including bonds payable, notes payable, and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(11,700,077)
Net position of governmental activities	$ 18,520,037

The accompanying notes are an integral part of these financial statements.

CITY OF WARRENTON, MISSOURI

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	General Fund	Interchange Fund	Transportation Fund	Other Nonmajor Funds	Total
REVENUES					
Taxes	$ 3,812,914	$ 2,570,065	$ 1,226,988	$ 1,945,357	$ 9,555,324
Intergovernmental	1,009,451	-	50,486	-	1,059,937
Charges for services	1,168,120	-	150	-	1,168,270
Licenses and permits	266,979	-	-	-	266,979
Fines and forfeitures	130,084	-	-	-	130,084
Investment income	90,951	124,859	92,478	60,385	368,673
Lot sales	18,020	-	-	3,180	21,200
Miscellaneous	41,326	-	-	-	41,326
TOTAL REVENUES	6,537,845	2,694,924	1,370,102	2,008,922	12,611,793
EXPENDITURES					
Current:					
Administrative	1,996,599	-	-	-	1,996,599
Police and court	3,140,011	-	-	-	3,140,011
Street department	-	-	521,437	-	521,437
Culture and recreation	1,268,763	-	-	68,708	1,337,471
Planning and development	458,973	-	-	-	458,973
Capital outlay	582,059	858,736	527,184	-	1,967,979
Debt service:					
Principal, interest and fiscal charges	-	2,991,797	133,508	1,255,025	4,380,330
TOTAL EXPENDITURES	7,446,405	3,850,533	1,182,129	1,323,733	13,802,800
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(908,560)	(1,155,609)	187,973	685,189	(1,191,007)
OTHER FINANCING SOURCES (USES)					
Transfer in (out)	1,357,286	364,220	(237,082)	(523,932)	960,492
TOTAL OTHER FINANCING SOURCES (USES)	1,357,286	364,220	(237,082)	(523,932)	960,492
CHANGE IN FUND BALANCE	448,726	(791,389)	(49,109)	161,257	(230,515)
FUND BALANCES - BEGINNING OF YEAR	1,596,228	3,405,871	2,586,839	1,574,301	9,163,239
FUND BALANCES - END OF YEAR	$ 2,044,954	$ 2,614,482	$ 2,537,730	$ 1,735,558	$ 8,932,724

The accompanying notes are an integral part of these financial statements.

CITY OF WARRENTON, MISSOURI

RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

Amounts reported for governmental activities in the statement of activities are different because:

Change in fund balance-total governmental funds	$ (230,515)
The acquisition of capital assets requires the use of current financial resources but has no effect on net position.	947,781
The cost of capital assets is allocated over their estimated useful lives and is reported as depreciation expense in the statement of activities.	(1,172,817)
Revenues (expenses) in the statements of activities that do not provide (use) current financial resources are not reported as revenue (expenditures) in the funds.	7,977
The effect on net position of miscellaneous transactions involving capital assets such as trade-ins and sales, on net positions is different than on fund balance.	(66,680)
Pension expenditures are reported as a decrease in fund balance in governmental funds. In the statement of activities, pension expense is the current service cost of providing pension benefits to employees.	61,533
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	3,920,433
Amortization of bond issuance premiums and discounts are amortized over the life of the debt in the statement of activities.	(8,864)
The change in compensated absences liability does not affect the use of current financial resources but is recorded as an expense in the statement of activities.	(59,510)
Interest payable does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds.	21,698
Change in net position of governmental activities	$ 3,421,036

The accompanying notes are integral part of these financial statements.

CITY OF WARRENTON, MISSOURI

STATEMENT OF NET POSITION
PROPRIETARY FUND (WATER AND SEWER FUND)
DECEMBER 31, 2024

ASSETS	
CURRENT ASSETS	
Cash and investments	$ 7,943,515
Accounts receivable (net of allowance for doubtful accounts of $143,670)	618,130
Prepaid items	16,212
Inventory	11,653
Restricted assets:	
Cash and investments	3,694,634
TOTAL CURRENT ASSETS	12,284,144
NONCURRENT ASSETS	
Capital assets - net of accumulated depreciation	31,468,133
TOTAL ASSETS	43,752,277
DEFERRED OUTFLOWS	
Deferred items related to pension	77,081
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable and retainage	948,790
Accrued wages	44,066
Due to other funds	19,855
Customer deposits	217,242
Bonds payable, current portion	655,000
Accrued compensated absences - current	56,753
TOTAL CURRENT LIABLILITIES	1,941,706
NONCURRENT LIABILITY	
Net pension liability	257,540
Accrued compensated absences, net of current portion	97,299
Bonds payable and premiums, net of current portion	16,485,528
TOTAL NONCURRENT LIABLILITIES	16,840,367
TOTAL LIABILITIES	18,782,073
DEFERRED INFLOWS	
Deferred items related to pension	7,817
NET POSITION	
Net investment in capital assets	16,829,668
Restricted - reserve accounts	129,350
Unrestricted	8,080,450
TOTAL NET POSITION	$ 25,039,468

The accompanying notes are an integral part of these financial statements.

CITY OF WARRENTON, MISSOURI

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUND (WATER AND SEWER FUND)
FOR THE YEAR ENDED DECEMBER 31, 2024

OPERATING REVENUE	
Charges for services	$ 5,531,928
Miscellaneous	2,998
TOTAL OPERATING REVENUE	5,534,926
OPERATING EXPENSES	
Personnel services	977,401
Bad debt expense	12,712
Depreciation	2,033,509
Repairs and maintenance	308,808
Utilities	304,164
Operating supplies	70,736
Other services and charges	261,989
TOTAL OPERATING EXPENSES	3,969,319
OPERATING INCOME	1,565,607
NONOPERATING REVENUE (EXPENSE)	
Investment income	424,804
Grants	434,259
Gain on the disposal of capital assets	223,850
Interest and fiscal charges	(581,505)
TOTAL NONOPERATING REVENUE (EXPENSE)	501,408
INCOME BEFORE OPERATING TRANSFERS AND CAPITAL CONTRIBUTIONS	2,067,015
CAPITAL CONTRIBUTIONS	1,122,886
TRANSFERS	(960,492)
CHANGE IN NET POSITION	2,229,409
NET POSITION - BEGINNING OF YEAR	22,810,059
NET POSITION - END OF YEAR	$ 25,039,468

The accompanying notes are an integral part of these financial statements.

CITY OF WARRENTON, MISSOURI

STATEMENT OF CASH FLOWS
PROPRIETARY FUND (WATER AND SEWER FUND)
FOR THE YEAR ENDED DECEMBER 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	$ 5,487,065
Cash paid to suppliers	(946,914)
Cash paid to employees	(963,887)
Miscellaneous receipts	2,998
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,579,262
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Change in due to/from	23,061
Transfer to General Fund	(960,492)
NET CASH (USED) PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	(937,431)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(2,939,432)
Proceeds from the sale of capital assets	299,681
Grants received	434,259
Principal repayments	(500,000)
Interest and fiscal charges	(599,555)
NET CASH (USED) PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(3,305,047)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	424,804
NET DECREASE IN CASH AND CASH EQUIVALENTS	(238,412)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	11,876,561
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 11,638,149
Reconciliation of cash and cash equivalents:	
Cash and investments	$ 7,943,515
Restricted cash and investments	3,694,634
Total cash and cash equivalents	$ 11,638,149

The accompanying notes are an integral part of these financial statements.

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

OPERATING INCOME	$ 1,565,607
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Depreciation	2,033,509
(Increase) decrease in assets:	
Accounts receivable	(53,513)
Prepaid items	(5,971)
(Increase) decrease in deferred outflows/inflows	(13,090)
Increase (decrease) in liabilities:	
Accounts payable	17,466
Accrued wages and related items	24,653
Customer deposit	8,650
Net pension liability	1,951
TOTAL ADJUSTMENTS	2,013,655
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 3,579,262
Schedule of non-cash and related financing activities:	
Contributions of capital assets	$ 1,122,886

The accompanying notes are an integral part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Warrenton, Missouri (the City), incorporated in 1864, is a fourth-class city. The City operates under a Mayor and Board of Aldermen form of government. The significant accounting policies applied by the City in the preparation of the accompanying financial statements are summarized below:

A. REPORTING ENTITY

As required by accounting principles generally accepted in the United States of America (GAAP), the accompanying basic financial statements present the activities of the City (the Primary Government) and its component unit. The component unit discussed below is included in the City's reporting entity because of the significance of its operation or financial relationship with the City.

Included in the reporting entity is the Industrial Development Authority of the City of Warrenton, Missouri (IDA). This corporation is organized to develop, advance, encourage, and promote commercial, industrial, agricultural, and manufacturing facilities in the City. The IDA is incorporated as an Industrial Development Corporation, which is an entity legally separate from the City. The component unit has been blended into the City's primary government, because management and the board of aldermen have operational responsibility for the IDA. The component unit does not issue separately audited financial statements.

B. BASIC FINANCIAL STATEMENTS

Basic financial statements consist of the following:

- Government-wide financial statements,
- Fund financial statements, and
- Notes to the basic financial statements

The government-wide financial statements consist of the statement of net position and the statement of activities and report information on all of the nonfiduciary activities of the Primary Government and its component units. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. All internal balances in the statement of net position have been eliminated, except for those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total government column. In the statement of activities, transactions between the governmental and business-type activities have been eliminated. Exceptions to this general rule are charges between the City's Water and Sewer Fund and the various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

B. **BASIC FINANCIAL STATEMENTS** - continued

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, police, public improvements, cultural and recreation, and planning and development. The business-type activities of the City include water and sewer services.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenue includes charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity, as well as grants and contributions. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund based financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The major governmental funds are the General Fund, Interchange Fund and Transportation Fund. GASB No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues, or expenditures/expenses of either fund category for the governmental and proprietary combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements.

C. **MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds financial statements. Revenues are recorded when earned or, for property tax revenues, in the period for which levied. Expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City, in general, considers tax revenues and other revenue available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when payment is due.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

C. **MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION** - continued

For the governmental fund's financial statements, the City considers all revenues susceptible to accrual and recognizes revenue if the accrual criteria are met. Specifically, sales taxes, franchise taxes, licenses, interest, special assessments, charges for services, and other miscellaneous revenue are considered to be susceptible to accrual and have been recognized as revenue in the current fiscal period.

The accounts of the City are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions.

The City reports the following major governmental funds:

> **The General Fund -** The City's primary operating fund, which accounts for all the financial resources and the legally authorized activities of the City except those required to be accounted for in other specialized funds.
>
> **The Interchange Fund -** The Fund is used to account for taxes collected to pay the principal and interest on the debt issued to construct a new interchange.
>
> **The Transportation Fund -** The Fund is used to account for taxes collected that will be used for the construction, repair and maintenance of streets, roads and bridges.

The City reports the following major proprietary fund:

> **The Water and Sewer Fund -** The City uses this proprietary fund to account for the activities of providing water and sewer service to the citizens of the City.

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. The principal operating revenues of the Proprietary Fund are charges to customers for sales and services. Operating expenses for the proprietary fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

D. **CAPITAL ASSETS**

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets (e.g., roads, sidewalks, traffic lights, streetlights, sewer lines and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of $5,000 or more and an estimated useful life in excess of one year. Infrastructure assets with an initial cost of $25,000 or more are also capitalized and depreciated. Donated capital assets are recorded at acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives is not capitalized. Major outlays for capital assets and improvements are capitalized as projects are being constructed.

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

Major Group	Life
Buildings and improvements	5 - 40 years
Equipment	7 - 10 years
Land improvements	20 years
Infrastructure	10 - 50 years

The government-wide financial statements do not reflect infrastructure assets completed prior to July 1, 2000.

E. **ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires the City to make estimates and assumptions that affect the reported amounts of assets and liabilities at fiscal year-end and revenues and expenditures during the reporting period. Actual results could vary from the estimates that management uses.

F. **RESTRICTED CASH AND INVESTMENTS**

Certain cash and investments are restricted for the repayment of debt, construction or purchase of assets, or repair and replacement of assets.

G. **INTERFUND TRANSACTIONS**

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

G. **INTERFUND TRANSACTIONS** - continued

All other interfund transactions are reported as transfers and are reported "net" in the fund financial statements. Transfers between governmental funds are eliminated in the conversion to the government-wide financial statements, while transfers between governmental and proprietary funds are reported "net."

H. **ACCOUNTS RECEIVABLE**

The City grants credit to residents for water, sewer and trash service. Service is discontinued if the bill is not paid within two billing cycles. The City assesses a penalty of 8% if not paid by the 15th of the month. No interest is charged on past due accounts. Once an account reaches 30 days past due, it is sent to a collection agency. The City has recorded an allowance for doubtful accounts which is based on the City's experience in collecting past due accounts. As of December 31, 2024, the City has allowances as follows:

Governmental Funds:		
General Fund (Trash)	$	14,884
Proprietary Fund:		
Water and Sewer Fund		143,670

I. **INVENTORIES AND PREPAID ITEMS**

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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

J. **PROPERTY TAX**

The City's property tax is levied each year on the assessed value listed as of the prior January 1 for all real and personal property located in the City. Taxes are levied on September 1 and payable by December 31. A lien is placed on the property on January 1 and is then subject to interest and penalties. The assessed value at January 1, 2024, upon which the 2024 levy was based for real, personal, and public utility property, was $134,230,627. The City's tax rate was levied at $0.2930 and $0.1735 per $100 of assessed valuation for the General Fund and the Special Revenue Fund (Parks), respectively.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

K. **COMPENSATED ABSENCES**

The City implemented the requirements of GASB Statement No. 101, *Compensated* Absences, during fiscal year ended December 31, 2024. The change had no effect on the financial statements. The policy for vacation pay allows employees to take time off with pay and requires vacation leave to be used in the year after accumulation. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignation or retirement. The liability for compensated absences includes salary-related benefits, where applicable.

Employees may accumulate sick leave up to a maximum of 720 hours. Accumulated sick pay is paid only on the following: (a) 50% after 10 years of service, (b) 75% after 15 years of service, and (c) 100% after 25 years of service.

L. **LONG-TERM LIABILITIES**

In the government-wide financial statements and proprietary funds financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statements of net position. Initial-issue bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. The difference between the reacquisition price of refunding bonds and the net carrying amount of refunded debt (deferred amount on refunding) is amortized over the shorter of the lives of the refunding debt or remaining life of the refunded debt. Bond issuance costs are expensed when incurred in government-wide statements. Amortization of bond premiums or discounts and deferred amounts on refunding are included in interest expense.

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

M. **NET POSITION AND FUND BALANCE**

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. In government-wide and proprietary fund financial statements net position is reported in three categories: net investment in capital assets; restricted net position; and unrestricted net position. Net investment in capital assets represents capital assets less accumulated depreciation less outstanding principal on related debt. Net investment in capital assets does not include the unspent proceeds of capital debt. Restricted net position represents net position restricted by parties outside of the City (such as creditors, grantors, contributors, laws and regulations of other governments). All other net position is considered unrestricted.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

M. **NET POSITION AND FUND BALANCE** - continued

When both restricted and unrestricted sources are available for use, it is the City's policy to use restricted first, then unrestricted resources as they are needed. The government-wide statement of net position reports $6,903,309 of restricted net position for governmental activities, all of which is restricted by enabling legislation. Business-type activities also reports restricted net position of $129,350, none of which is restricted by enabling legislation.

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

Nonspendable - Resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.

Restricted - Resources with constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed - Resources which are subject to limitations the government imposes upon itself at its highest level of decision making (ordinance), and that remain binding unless removed in the same manner.

Assigned - Resources neither restricted nor committed for which a government has a stated intended use as established by the Board of Aldermen or an official to which the Board of Aldermen has delegated the authority to assign amounts for specific purposes. Currently the Board of Alderman have not delegated this authority to anyone.

Unassigned - Resources which cannot be properly classified in one of the other four categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. Unassigned balances also include negative balances in the governmental funds reporting resources restricted for specific programs.

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

Deficit in Fund Balance of Individual Fund - The Neighborhood Improvement District Fund has a negative fund balance of $5,454. The deficient will be resolved when delinquent neighborhood improvement district assessments are paid.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

N. **CASH AND INVESTMENTS**

The City pools the cash of all funds, except for monies deposited with fiscal agents in accordance with related bond indentures and other monies required to be accounted for separately. The cash and investments balance in each fund represent that fund's equity share of the City's cash and investment pool. The City's investments are carried at fair value. Interest income earned on pooled cash and investments is allocated to the various funds. Interest income on restricted cash and investments is credited directly to the related fund.

For purposes of the statement of cash flows, the City has defined cash and cash equivalents to be investments with an original maturity of three months or less.

The City is authorized to invest funds not immediately needed for the purposes to which the funds are applicable in obligations of the United States Treasury, United States Government Agencies, Repurchase Agreements, Certificates of Deposit, Banker's Acceptance, and Commercial Paper.

O. **PENSION**

For purposes of measuring the net pension liability, 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 the benefit terms. Investments are reported at fair value.

2. **BUDGETS AND BUDGETARY ACCOUNTING**

The City follows these procedures in establishing the budgetary data reflected in the required supplementary information in the financial statements:

a. Prior to November 1, the Financial Officer submits to the City Administrator a proposed operating budget for the fiscal year which includes supporting schedules. Upon City Administrator's approval, the budget is submitted to the Board of Alderman. The operating budget includes proposed expenditures and the means of financing them.
b. Review of the proposed budget is provided with the Board of Alderman during an open work session during which the public may provide comments.
c. Prior to January 1, the budget is adopted by the Board of Aldermen.
d. Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles except Proprietary Funds which include capital outlay as an expense. The Industrial Development Authority Fund is not budgeted.
e. The current year's budget includes amendments. Budget amendments must be approved by the Board of Aldermen.
f. All annual appropriations lapse at fiscal year-end.
g. The legal level of budgetary control is at the fund level.

3. **CASH AND TEMPORARY INVESTMENTS**

Credit Risk - The City will minimize credit risk (the risk of loss due to the failure of the security issuer or backer) by pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the City will do business and diversifying the portfolio so that potential losses on individual securities will be minimized. At December 31, 2024, the City's investments subject to investment credit risk are as follows:

Investment type	Fair Value	S&P Rating
Governmental Funds:		
Money market funds	615,543	AAAm
U.S. Treasury bonds	2,799,139	AA+

Custodial Credit Risk - For deposits and investments, the custodial credit risk is the risk that in the event of the failure of the counterparty, the City will be able to recover the value of its investments or collateral securities that are in the possession of an outside party. It is the City's policy that all deposits and investments be insured, covered by collateral, or be investments backed by the full faith and credit of the United States Government. All securities, which serve as collateral against the deposits of a depository institution must be safekept at a non-affiliated custodial facility. Depository institutions pledging collateral against deposits must, in conjunction with the custodial agent, furnish the necessary custodial receipts within five business days from the settlement date. Investments of the City are generally insured, collateralized, or invested in securities of the United States or its agencies.

Interest Rate Risk - The City will minimize the risk that the fair value of securities in the portfolio will fall due to changes in general interest rates 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 by investing operating funds primarily in shorter-term securities. Maturities of investments held at December 31, 2024, are as follows:

Investment type	Fair Value	< 1 Year	1 - 5 Years	6 + Years
Governmental Funds:				
Money market funds	$ 615,543	$ 615,543	$ -	$ -
U.S. Treasury bonds	2,799,139	2,799,139	-	-
Total	$ 3,414,682	$3,414,682	$ -	$ -

To the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. Investments in bankers' acceptances shall mature and become payable not more than one hundred eighty days (180) from the date of purchases. All other investments shall mature and become payable not more than five (5) years from the date of purchase. The City shall adopt weighted average maturity limitations that should not exceed three (3) years and is consistent with the investment objectives.

3. **CASH AND TEMPORARY INVESTMENTS** - continued

Concentration of Credit Risk - It is the City's policy to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer, or specific class of securities. Diversification strategies shall be established and periodically reviewed. At a minimum, diversification standards by security type and issuer shall be:

a) U.S. Treasuries and Securities having principal and/or interest guaranteed by the U.S. government. Exposure Limit - 100%

b) Collateralized time and demand deposits. Exposure Limit - 100%.

c) U.S. Government Agencies and government sponsored enterprises. Exposure Limit - No more than 60%

d) Collateralized repurchased agreements. Exposure Limit - No more than 50%

e) U.S. Government Agency callable securities. Exposure Limit - No more than 30%

The City's investment in U.S. Treasury Bonds make up 14% of the City's total cash and investments as of December 31, 2024.

Cash - At December 31, 2024, the carrying amount of the City's deposits was $16,346,472. Bank balances held at financial institutions of $16,330,217 were covered by the Federal Deposit Insurance Corporation (FDIC), a letter of credit from the financial institution, or were collateralized by the pledging financial institution or its agent in the City's name.

4. **FAIR VALUE MEASUREMENTS**

The City of Warrenton, Missouri categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of December 31, 2024:

- Money market mutual funds are valued using quoted market prices (Level 1 inputs).
- U.S. Treasury Bills are valued using a third party pricing service (Level 2 inputs).

5. CAPITAL ASSETS

Capital asset activity for the primary government for the year ended December 31, 2024 is as follows:

	Balance Beginning Of Year	Additions	Deletions	Balance End of Year
Governmental activities:				
Capital assets, not being depreciated				
Land	$ 2,673,984	$ 29,257	$ -	$ 2,703,241
Construction in progress	1,309,974	1,805,638	(3,098,192)	17,420
Total capital assets, not depreciated	3,983,958	1,834,895	(3,098,192)	2,720,661
Capital assets, being depreciated				
Buildings	8,805,356	-	(53,194)	8,752,162
Building improvements	781,202	-	(20,824)	760,378
Land improvements	1,979,260	1,092,430	(21,064)	3,050,626
Equipment	2,549,764	407,357	(303,357)	2,653,764
Infrastucture	13,226,950	711,291	-	13,938,241
Total capital assets, being depreciated	27,342,532	2,211,078	(398,439)	29,155,171
Less accumulated depreciation:				
Buildings	(1,993,658)	(219,321)	23,938	(2,189,041)
Building improvements	(199,076)	(42,573)	20,317	(221,332)
Land improvements	(1,505,001)	(140,491)	6,319	(1,639,173)
Equipment	(1,551,000)	(202,564)	281,185	(1,472,379)
Infrastucture	(3,742,586)	(567,868)	-	(4,310,454)
Total accumulated depreciation	(8,991,321)	(1,172,817)	331,759	(9,832,379)
Net capital assets being depreciated	18,351,211	1,038,261	(66,680)	19,322,792
Subtotal governmental activities	$ 22,335,169	$ 2,873,156	$(3,164,872)	$ 22,043,453

5. **CAPITAL ASSETS** - continued

	Balance Beginning Of Year	Additions	Deletions	Balance End of Year
Business-type activities:				
Capital assets, not being depreciated				
Land	$ 658,549	$ -	$ (43,322)	$ 615,227
Construction in progress	1,274,048	3,821,563	(2,323,421)	2,772,190
Total capital assets, not depreciated	1,932,597	3,821,563	(2,366,743)	3,387,417
Capital assets, being depreciated				
Buildings	8,283,142	-	(56,000)	8,227,142
Building improvements	7,040,783	17,300	-	7,058,083
Land improvements	157,619	-	-	157,619
Equipment	4,117,092	882,581	(80,635)	4,919,038
Infrastucture	25,438,309	2,496,613	-	27,934,922
Total capital assets, being depreciated	45,036,945	3,396,494	(136,635)	48,296,804
Less accumulated depreciation:				
Buildings	(6,079,314)	(176,089)	27,902	(6,227,501)
Building improvements	(2,434,351)	(310,693)	-	(2,745,044)
Land improvements	(74,758)	(5,272)	-	(80,030)
Equipment	(1,547,523)	(369,780)	76,226	(1,841,077)
Infrastucture	(8,150,761)	(1,171,675)	-	(9,322,436)
Total accumulated depreciation	(18,286,707)	(2,033,509)	104,128	(20,216,088)
Net capital assets being depreciated	26,750,238	1,362,985	(32,507)	28,080,716
Subtotal business-type activities	28,682,835	5,184,548	(2,399,250)	31,468,133
Total, Net Capital Assets	$ 51,018,004	$ 8,057,704	$ (5,564,122)	$ 53,511,586

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
Administrative	$ 96,886
Finance department	538
Police department	85,800
Animal control	5,928
Street department	573,683
Cemetery	10,475
Building commission	2,272
Culture and recreation	397,235
Total depreciation expense - governmental activities	$ 1,172,817
Business-type activities:	
Water and sewer	$ 2,033,509

6. **LONG-TERM DEBT**

The following is a summary of the outstanding debt of the governmental activities:

In November 2016, the City entered into a direct borrowing note totaling $15,400,000 with the Missouri Transportation Finance Corporation (MFTC). The note was for the purpose of the construction of a new I-70 interchange and related road projects. The debt will be serviced by a special sales tax accounted for in the Interchange Fund. As of December 31, 2024, the outstanding balance is as follows:

Missouri Transportation Finance Corporation	$2,436,921
Interest - 2.64%,	
Matures - 2037	
Payments are due on March 31 and October 31	

In November 2017, the City issued General Obligation Bonds Series 2017 to finance the constructing, furnishing and equipping of park, recreation and aquatic facilities and any related utility and roadway improvements. The debt will be serviced by the Capital Improvements Fund. As of December 31, 2024, the outstanding balance is as follows:

General Obligation Bonds - Series 2017	$4,435,000
Interest - 2% to 3.125%	
Matures - 2037	
Payments are due on May 1 and November 1	

In May 2019, the City entered into a direct borrowing note totaling $1,176,000 with the Missouri Transportation Finance Corporation (MFTC). The note was for the purpose of the construction of sidewalks along Route 47. The debt will be serviced by the transportation sales tax accounted for in the Transportation Fund. As of December 31, 2024, the outstanding balance is as follows:

Missouri Transportation Finance Corporation	$608,445
Interest - 2.93%	
Matures - 2029	
Payments are due on July 15	

In January 2022, the City issued Tax Increment and Improvement District Revenue Bonds - Series 2022. The bonds were issued for the purpose of reimbursing eligible redevelopment expenses incurred during the redevelopment of RPA 1 TIF District within the City of Warrenton, Missouri. The bonds are special, limited obligations of the City, payable solely from Pledged Revenue. Payment of the debt service will be made from the RPA 1 TIF Fund, which will collect the following revenues imposed within the district: 1) Economic Activity Sales Taxes; 2) Payments in Lieu of Taxes; and 3) CID Sales Tax. As of December 31, 2024, the outstanding balance is as follows:

Tax Increment and Improvement District Revenue Bonds	$3,940,000
Interest - 3.625%	
Matures - 2031	
Payments are due on March 1 and July 1	

6. **LONG-TERM DEBT** - continued

The annual principal and interest requirements of the direct placement debt related to the governmental activities are as follows for the years ended December 31:

Year	Principal	Interest	Total
2025	997,549	81,882	$ 1,079,431
2026	1,024,370	54,038	1,078,408
2027	772,312	19,449	791,761
2028	126,130	7,378	133,508
2029	125,005	3,663	128,668
Total	$ 3,045,366	$ 166,410	$ 3,211,776

The annual principal and interest requirements for non-direct placement debt related to the governmental activities are as follows for the years ended December 31:

Year	Principal	Interest	Total
2025	$ 865,000	$ 262,903	$ 1,127,903
2026	895,000	236,231	1,131,231
2027	920,000	207,867	1,127,867
2028	950,000	178,669	1,128,669
2029	985,000	147,615	1,132,615
2030-2034	2,740,000	358,137	3,098,137
2035-2038	1,020,000	57,106	1,077,106
Total	$ 8,375,000	$ 1,448,528	$ 9,823,528

The following is a summary of the outstanding debt in the Proprietary Fund:

During 2014, the City issued Waterworks and Sewerage System Revenue Bonds to finance the acquiring, constructing, extending and improving of the City's combined waterworks and sewerage system. The bonds are recorded in the Proprietary Fund and will be serviced by that fund. On December 31, 2024, the outstanding principal on the bonds consists of the following:

Combined Waterworks and Sewerage System - Series 2014	$6,840,000
Interest rate - 2% to 3.55%	
Matures - 2039	
Payments are due on January 1 and July 1	

During 2021, the City issued Waterworks and Sewerage System Revenue Bonds to finance the acquiring, constructing, extending and improving of the City's combined waterworks and sewerage system. The bonds are recorded in the Proprietary Fund and will be serviced by that fund. On December 31, 2024, the outstanding principal on the bonds consists of the following:

Combined Waterworks and Sewerage System - Series 2021	$5,015,000
Interest rate - 2.0% to 4.0%	
Matures - 2046	
Payments are due on January 1 and July 1	

6. **LONG-TERM DEBT** - continued

During 2023, the City issued Waterworks and Sewerage System Revenue Bonds to finance the acquiring, constructing, extending and improving of the City's combined waterworks and sewerage system. The bonds are recorded in the Proprietary Fund and will be serviced by that fund. On December 31, 2024, the outstanding principal on the bonds consists of the following:

Combined Waterworks and Sewerage System - Series 2023 Interest rate - 4.0% to 5.0% Matures - 2046 Payments are due on January 1 and July 1	$4,895,000

The annual principal and interest requirements of the Proprietary Fund debt are as follows for the years ended December 31:

Year	Principal	Interest	Total
2025	655,000	294,440	$ 949,440
2026	675,000	564,929	1,239,929
2027	695,000	540,229	1,235,229
2028	725,000	513,829	1,238,829
2029	755,000	485,747	1,240,747
2030-2034	4,210,000	1,985,807	6,195,807
2035-2039	5,035,000	1,183,365	6,218,365
2040-2044	2,765,000	488,476	3,253,476
2045-2047	1,235,000	62,998	1,297,998
Total	$ 16,750,000	$ 6,119,820	$ 22,869,820

The revenue bonds are collateralized by the revenue from the sewer system and the various special funds established by the bond ordinances. The ordinances provide that the revenue of the system is to be used first to pay operating and maintenance expenses of the system and second to establish and maintain the revenue bond funds. Any remaining revenues may then be used for any lawful purpose. Deposits in the revenue bond funds are to be made by the first day of each month. The ordinances also contain certain provisions which require the City to maintain pledged revenues, as defined in the ordinances, for each year of at least 120% of the annual debt service requirements. For fiscal year ended December 31, 2024, the revenue bond coverage is 434%.

Acceleration clause

All of the City's outstanding debt contains an acceleration clause that allows the lender to accelerate payment of the entire principal and unpaid interest to become immediately due if an Event of Default occurs.

6. **LONG-TERM DEBT** - continued

A summary of changes in long-term debt for the year ended December 31, 2024 is as follows:

	Balance Beginning Of Year	Additions	Reductions	Balance End Of Year	Due Within One Year
Governmental activities:					
Direct borrowings	$ 6,005,799	$ -	$ (2,960,433)	$ 3,045,366	$ 997,549
General Obligation Bonds	4,735,000	-	(300,000)	4,435,000	305,000
TIF Bonds	4,600,000	-	(660,000)	3,940,000	560,000
Bond premium/discount	(33,572)	-	8,864	(24,708)	-
Compensated abenses	244,909	59,510	-	304,419	161,321
Subtotal Governmental activities	15,552,136	59,510	(3,911,569)	11,700,077	2,023,870
Business-type activities:					
Waterworks and sewerage system revenue bonds	$ 17,250,000	$ -	$ (500,000)	$ 16,750,000	$ 655,000
Bond premium/discount	408,578	-	(18,050)	390,528	-
Compensated abenses	142,942	11,140	-	154,082	56,753
Subtotal Business-type activities	17,801,520	11,140	(518,050)	17,294,610	711,753
Total	$ 33,353,656	$ 70,650	$ (4,429,619)	$ 28,994,687	$ 2,735,623

7. **INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The following transfers were made during the fiscal year ending December 31, 2024:

	TRANSFER IN	TRANSFER OUT
Governmental Funds:		
General Fund	$ 1,357,286	$ -
Interchange Fund	364,220	
Transportation Fund	-	237,082
Nonmajor Funds:		
Capital Improvements Fund	-	150,000
Parks and Tourism Fund	-	373,932
Proprietary Funds:		
Water and Sewer Fund	-	960,492

7. **INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS** - continued

The Parks and Tourism Fund transferred funds received from tourism tax to the General Fund to subsidize costs related to events, park management fee, and a portion of the event coordinator's salary recorded as expenditures in the General Fund. The budget calls for nonreciprocal transfers from the Water and Sewer Fund to the General Fund to cover estimated costs of services provided to the Water and Sewer Fund. The Capital Improvements Fund transferred funds to the General Fund to reimburse a portion of costs paid by General Fund that are capital in nature.

Due to/from other funds at December 31, 2024 are as follows:

	Due To	Due From
Governmental Funds:		
General Fund	$ 46,634	$ 310
Interchange Fund	-	640
Transportation Fund	-	15,612
Non-major Funds:		
Parks and Tourism Fund	-	255
Neighborhood Improvement District Fund	-	9,962
Proprietary Fund:		
Water and Sewer Fund	-	19,855

Occasionally the various funds of the City have short-term receivables and payables to cover receipts and expenditures in one fund that will be transferred to another fund.

8. **PENSION PLAN**

Plan Description

Effective August 1, 2015, the City commenced participation in Missouri Local Government Employees Retirement System (LAGERS). The City's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with 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. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

In accordance with generally accepted accounting principles and based on the timing of the audit in relation to the timing of the reports needed to complete the financial statements, the City has elected to use June 30, 2024 as the measurement date for the reporting of pension related items.

8. **PENSION PLAN** - continued

Benefits Provided

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

Benefit Program	1.0% for life
Final Average Salary	5 years
Member Contribution Rate	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.

Effective February 1, 2025, the benefit was increased from 1% of wages times years of service to 1.25%.

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	14
Inactive employees entitled to but not yet receiving benefits	26
Active employees	65
TOTAL	105

Contributions - The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer also contribute 4% of the wages to the pension plan. Employer contribution rates are 7.3% (General) and 6.5% (Police) of annual covered payroll.

Net Pension Liability - The employer'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.

8. **PENSION PLAN** - continued

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; 2.25% price
Salary Increase	2.75% to 6.75% including wage inflation
Investment rate of return	7.00%, net of investment expenses

The healthy retiree mortality tables, for post-retirement mortality, 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 actuarial assumptions used in the February 29, 2024 valuation were based on the results of an actuarial experience study for the period March 1, 2016 through February 28, 2021.

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	39.00%	5.37%
Fixed Income	23.00	1.47
Real Assets	33.00	3.45
Strategic Assets	7.00	3.46
Alpha	5.00	2.37
Cash/Leverage	-7.00	-0.26

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 rates 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 payment to determine the total pension liability.

8. **PENSION PLAN** - continued

Changes in the Net Pension Liability

	Total Pension Liability	Plan Fiduciary Net Position	Net Penison Liability
Balances as of December 31, 2023	$ 4,163,379	$ 2,886,957	$ 1,276,422
Changes for the year:			
Service Costs	224,146	-	224,146
Interest on pension liability	295,884	-	295,884
Changes in benefit terms	-	-	-
Difference between expected and actual experience	16,729	-	16,729
Change in assumptions	-	-	-
Contributions - employer	-	248,507	(248,507)
Contributions - employee	-	149,902	(149,902)
Net investment income	-	166,162	(166,162)
Benefits Payments	(94,873)	(94,873)	-
Administrative expenses	-	(12,041)	12,041
Other (net transfers)	-	1,035	(1,035)
Net Changes	441,886	458,692	(16,806)
Balances as of December 31, 2024	$ 4,605,265	$ 3,345,649	$ 1,259,616

Sensitivity of the net pension liability to changes in the discount rate - The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.00%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower 6.00% or one percentage point higher 8.00% than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Net pension liability	$ 2,070,732	$ 1,259,616	$ 607,663

8. **PENSION PLAN** - continued

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

For the year ended December 31, 2024 the employer recognized pension expense of $196,716. The employer reported deferred outflows and inflows of resources related to the pension from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ 224,899	$ 79,326
Change in assumptions	8,624	19,973
Net difference between projected and actual earnings on pension plan investments	75,369	-
Employer contributions subsequent to the measurement date	133,475	-
Total	$ 442,367	$ 99,299

The deferred outflows of resources related to pension resulting from City contributions subsequent to measurement date of $133,475 will be recognized as a reduction of net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2025	$ 14,175
2026	90,933
2027	53,147
2028	34,754
2029	11,395
Thereafter	5,189

9. **CONTINGENCIES**

From time to time, the City is a party to various pending claims and legal actions arising in the ordinary course of its operations. Although the outcome of such matters cannot be forecast with certainty, in the opinion of management, all such matters are adequately covered by insurance, or if not covered, are without merit or involve amounts such that an unfavorable disposition would not have a material effect on the financial statements of the City.

10. COMMITMENTS

As of December 31, 2024 the City has the following uncompleted contracts in place as of year-end:

Southwest sewer interceptor	$ 1,731,567
Wastewater treatment plant improvements	172,240
Other projects	67,540

11. SUBSEQUENT EVENTS

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through the date of the Independent Auditors' Report, the date the financial statements were available to be issued.

CITY OF WARRENTON, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
OPERATING REVENUE				
Taxes	$ 3,562,847	$ 3,562,847	$ 3,812,914	$ 250,067
Intergovernmental	829,678	829,678	1,009,451	179,773
Charges for services	1,276,224	1,276,224	1,168,120	(108,104)
Licenses and permits	44,300	44,300	266,979	222,679
Fines and forfeitures	131,200	131,200	130,084	(1,116)
Investment income	23,000	23,000	90,951	67,951
Lot sales	13,000	13,000	18,020	5,020
Miscellaneous	6,200	6,200	41,326	35,126
TOTAL OPERATING REVENUE	5,886,449	5,886,449	6,537,845	651,396
EXPENDITURES				
Current:				
Administrative	1,942,767	1,942,767	1,996,599	(53,832)
Police and court	3,139,461	3,139,461	3,140,011	(550)
Culture and recreation	1,398,666	1,398,666	1,268,763	129,903
Planning and development	471,039	471,039	458,973	12,066
Capital outlay	912,430	1,119,199	582,059	537,140
TOTAL EXPENDITURES	7,864,363	8,071,132	7,446,405	624,727
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,977,914)	(2,184,683)	(908,560)	1,276,123
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of capital assets	5,000	5,000	-	(5,000)
Transfer in (out)	1,339,514	1,339,514	1,357,286	17,772
TOTAL OTHER FINANCING SOURCES (USES)	1,344,514	1,344,514	1,357,286	12,772
CHANGE IN FUND BALANCE	(633,400)	(840,169)	448,726	$ 1,288,895
FUND BALANCES - BEGINNING OF YEAR	1,596,228	1,596,228	1,596,228	
FUND BALANCE - END OF YEAR	$ 962,828	$ 756,059	$ 2,044,954	

CITY OF WARRENTON, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
TRANSPORTATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	BUDGET			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
OPERATING REVENUE				
Taxes	$ 1,116,602	$ 1,116,602	$ 1,226,988	$ 110,386
Intergovernmental	40,000	40,000	50,486	10,486
Charges for services	500	500	150	(350)
Investment income	12,000	12,000	92,478	80,478
TOTAL OPERATING REVENUE	1,169,102	1,169,102	1,370,102	201,000
EXPENDITURES				
Current:				
Street department	746,635	746,635	521,437	225,198
Capital outlay	810,110	810,110	527,184	282,926
Debt service:				
Principal, interest and fiscal charges	133,508	133,508	133,508	-
TOTAL EXPENDITURES	1,690,253	1,690,253	1,182,129	508,124
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(521,151)	(521,151)	187,973	709,124
OTHER FINANCING SOURCES (USES)				
Transfer in (out)	(237,082)	(237,082)	(237,082)	-
CHANGE IN FUND BALANCE	(758,233)	(758,233)	(49,109)	$ 709,124
FUND BALANCES - BEGINNING OF YEAR	2,586,839	2,586,839	2,586,839	
FUND BALANCES - END OF YEAR	$ 1,828,606	$ 1,828,606	$ 2,537,730	

1. **BUDGETARY INFORMATION**

The City prepares its budget on a basis consistent with generally accepted accounting principles. The budgetary process is detailed in Note 2 of the notes to financial statements. The City does not prepare a budget for the Neighborhood Improvement District Fund.

CITY OF WARRENTON, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAGERS (GENERAL AND POLICE DIVISIONS)
YEARS ENDING DECEMBER 31,

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability									
Service cost	$ 224,146	$ 219,516	$ 222,045	$ 211,356	$ 191,015	$ 168,908	$ 170,122	$ 160,513	$ 51,559
Interest on the total pension liability	295,884	259,840	229,852	211,773	182,116	157,426	138,372	119,824	1,762
Change of benefit terms	-	-	-	-	-	-	-	-	1,575,966
Difference between expected and actual experience	16,729	136,346	65,662	8,284	57,410	25,684	(27,160)	(28,845)	(53,321)
Changes of assumptions	-	-	-	(21,922)	-	-	(16,888)	14,652	-
Benefit payments	(94,873)	(110,957)	(65,645)	(39,192)	(24,036)	(20,664)	(5,921)	-	(2,073)
Net change in total pension liability	441,886	504,745	451,914	370,299	406,505	331,354	258,525	266,144	1,573,893
Total pension liability - beginning	4,163,379	3,658,634	3,206,720	2,836,421	2,429,916	2,098,562	1,840,037	1,573,893	-
Total pension liability - ending	$ 4,605,265	$ 4,163,379	$ 3,658,634	$ 3,206,720	$ 2,836,421	$ 2,429,916	$ 2,098,562	$ 1,840,037	$ 1,573,893
Plan Fiduciary Net Position									
Contributions-employer	$ 248,507	$ 213,446	$ 222,096	$ 220,821	$ 210,689	$ 180,957	$ 176,779	$ 155,275	$ 123,768
Contributions-employee	149,902	145,105	129,338	129,277	120,991	105,975	98,125	100,257	80,089
Net investment income	166,162	100,802	3,577	510,242	17,600	62,214	79,259	33,388	10,582
Benefit payments, including refunds	(94,873)	(110,957)	(65,645)	(39,192)	(24,036)	(20,664)	(5,921)	-	(2,073)
Pension plan administrative expense	(12,041)	(11,727)	(8,844)	(7,920)	(10,497)	(8,704)	(5,296)	(4,975)	(4,126)
Other (net transfer)	1,035	17,876	(43,274)	25,552	(1,849)	(5,586)	(202)	(7,859)	2,224
Net change in plan fiduciary net position	458,692	354,545	237,248	838,780	312,898	314,192	342,744	276,086	210,464
Plan fiduciary net position - beginning	2,886,957	2,532,412	2,295,164	1,456,384	1,143,486	829,294	486,550	210,464	-
Plan fiduciary net position - ending	$ 3,345,649	$ 2,886,957	$ 2,532,412	$ 2,295,164	$ 1,456,384	$ 1,143,486	$ 829,294	$ 486,550	$ 210,464
Employer net pension liability (asset)	$ 1,259,616	$ 1,276,422	$ 1,126,222	$ 911,556	$ 1,380,037	$ 1,286,430	$ 1,269,268	$ 1,353,487	$ 1,363,429
Plan fiduciary net position as a percentage of the total pension liability	72.65%	69.34%	69.22%	71.57%	51.35%	47.06%	39.52%	26.44%	13.37%
Covered payroll	$ 3,568,709	$ 3,169,152	$ 3,171,136	$ 3,202,475	$ 2,914,272	$ 2,661,477	$ 2,349,746	$ 2,498,127	$ 2,219,798
Employer's net pension liability (asset) as a percentage of covered payroll	35.30%	40.28%	35.51%	28.46%	47.35%	48.34%	54.02%	54.18%	61.42%

Note to schedule:

Information for prior years is not available as the City began participation in LAGERS effective August 1, 2015; amounts presented for the year-end were determined as of June 30, the measurement date.

CITY OF WARRENTON, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAGERS (GENERAL AND POLICE DIVISIONS)
LAST TEN FISCAL YEARS

Year ended June 30,	Actuarial Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2016	$ 123,768	$ 123,768	$ -	$ 2,002,213	6.18 %
2017	155,304	155,304	-	2,506,411	6.20
2018	178,281	176,751	1,530	2,452,686	7.21
2019	180,957	180,957	-	2,649,390	6.83
2020	210,689	210,689	-	3,024,752	6.97
2021	220,821	220,821	-	3,233,464	6.83
2022	222,096	222,096	-	3,202,847	6.93
2023	213,476	213,476	-	3,261,445	6.55
2024	269,257	269,256	1	3,848,950	7.00

Notes to Schedule of Contributions

Valuation date: 2/29/2024

Notes: The roll-forward of total pension liability from February 29, 2024 to June 30, 2024 reflects expected service cost and interest reduced by actual benefit payments.

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry age normal and Modified Terminal Funding
Amortization method Level percentage of payroll, closed
Remaining amortization period Multiple bases from 7 to 21 years
Asset valuation method 5-year smoothed fair value; 20% corridor
Inflation 2.75% wage inflation; 2.25% price inflation
Salary increases 2.75% - 6.75% including wage inflation
Investment rate of return 7.00%, net of investment expenses
Retirement age Experience-based table of rates that are specific to the type of eligibility condition.
Mortality The healthy retiree mortality tables, for post-retirement mortality, 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

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

Note to schedule:
The City began participation in LAGERS effective August 1, 2015; amounts presented for the year-end were determined as of June 30, the measurement date.

CITY OF WARRENTON, MISSOURI

COMBINING BALANCE SHEET - NONMAJOR FUNDS

DECEMBER 31, 2024

	Special Revenue Funds			Capital Projects Fund	Debt Service Funds		
	Cemetery Fund	Parks and Tourism Fund	Industrial Development Authority Fund	Capital Improvements Fund	Neighborhood Improvement District Fund	TIF RPA1 Fund	Total
ASSETS AND OTHER DEBITS							
Cash and investments	$ 28,174	$ 258,245	$ 794	$ 169,280	$ 4,761	$ 303,627	$ 764,881
Taxes receivable:							
Property	-	245,028	-	-		-	245,028
Other	-	-	-	117,252	-	310,294	427,546
Accounts receivable	30	-	-	-	-	4,297	4,327
Special assessments receivable	-	-	-	-	3,422	-	3,422
Restricted assets:							
Cash and investments	-	-	-	-	-	324,831	324,831
TOTAL ASSETS	$ 28,204	$ 503,273	$ 794	$ 286,532	$ 8,183	$ 943,049	$ 1,770,035
LIABILITIES							
Due to other funds	$ -	$ 255	$ -	$ -	$ 9,962	$ -	$ 10,217
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue-property taxes	-	20,585	-	-	3,675	-	24,260
FUND BALANCES							
Restricted for:							
Cemetery maintenance	28,204	-	-	-	-	-	28,204
Parks and tourism	-	482,433	-	-	-	-	482,433
Capital projects	-	-	-	286,532	-	-	286,532
Debt service	-	-	-	-		943,049	943,049
Assigned:							
Industrial development	-	-	794	-	-	-	794
Unassigned	-	-	-	-	(5,454)	-	(5,454)
TOTAL FUND BALANCES	28,204	482,433	794	286,532	(5,454)	943,049	1,735,558
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 28,204	$ 503,273	$ 794	$ 286,532	$ 8,183	$ 943,049	$ 1,770,035

CITY OF WARRENTON, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Special Revenue Funds			Capital Projects Fund	Debt Service Funds		
	Cemetery Fund	Parks and Tourism Fund	Industrial Development Authority Fund	Capital Improvements Fund	Neighborhood Improvement District Fund	TIF RPA1 Fund	Total
REVENUES							
Taxes	$ -	$ 501,640	$ -	$ 613,555	$ -	$ 830,162	$ 1,945,357
Investment income	747	17,078	-	7,913	125	34,522	60,385
Miscellaneous	3,180	-	-	-	-	-	3,180
TOTAL REVENUES	3,927	518,718	-	621,468	125	864,684	2,008,922
EXPENDITURES							
Current:							
Culture and recreation	-	68,708	-		-	-	68,708
Debt service:							
Principal, interest and fiscal charges	-	-	-	429,823	-	825,202	1,255,025
TOTAL EXPENDITURES	-	68,708	-	429,823	-	825,202	1,323,733
EXCESS OF REVENUES OVER EXPENDITURES	3,927	450,010	-	191,645	125	39,482	685,189
OTHER FINANCING SOURCES (USES)							
Transfer in (out)	-	(373,932)	-	(150,000)	-	-	(523,932)
CHANGE IN FUND BALANCE	3,927	76,078	-	41,645	125	39,482	161,257
FUND BALANCES - BEGINNING OF YEAR	24,277	406,355	794	244,887	(5,579)	903,567	1,574,301
FUND BALANCES - END OF YEAR	$ 28,204	$ 482,433	$ 794	$ 286,532	$ (5,454)	$ 943,049	$ 1,735,558

CITY OF WARRENTON, MISSOURI

SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	BUDGET			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
OPERATING REVENUE				
Taxes	$ 558,302	$ 558,302	$ 613,555	$ 55,253
Investment income	200	200	7,913	7,713
TOTAL OPERATING REVENUE	558,502	558,502	621,468	62,966
EXPENDITURES				
Debt service:				
Principal, interest and fiscal charges	429,823	429,823	429,823	-
TOTAL EXPENDITURES	429,823	429,823	429,823	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	128,679	128,679	191,645	62,966
OTHER FINANCING SOURCES (USES)				
Transfer in (out)	(150,000)	(150,000)	(150,000)	-
CHANGE IN FUND BALANCE	(21,321)	(21,321)	41,645	$ 62,966
FUND BALANCES - BEGINNING OF YEAR	244,887	244,887	244,887	
FUND BALANCES - END OF YEAR	$ 223,566	$ 223,566	$ 286,532	

CITY OF WARRENTON, MISSOURI

SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
INTERCHANGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
OPERATING REVENUE				
Taxes	$ 2,336,477	$2,336,477	$ 2,570,065	$ 233,588
Investment income	42,000	42,000	124,859	82,859
TOTAL OPERATING REVENUE	2,378,477	2,378,477	2,694,924	316,447
EXPENDITURES				
Capital outlay	858,736	858,736	858,736	-
Debt service:				
Principal, interest and fiscal charges	2,991,797	2,991,797	2,991,797	-
TOTAL EXPENDITURES	3,850,533	3,850,533	3,850,533	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,472,056)	(1,472,056)	(1,155,609)	$ 316,447
FUND BALANCES - BEGINNING OF YEAR	3,405,871	3,405,871	3,405,871	
FUND BALANCES - END OF YEAR	$ 1,933,815	$1,933,815	$ 2,250,262	

CITY OF WARRENTON, MISSOURI

SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE

CEMETERY FUND

FOR THE YEAR ENDED DECEMBER 31, 2024

	BUDGET			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
OPERATING REVENUE				
Investment income	$ 10	$ 10	$ 747	$ 737
Lot sales	1,650	1,650	3,180	1,530
TOTAL OPERATING REVENUE	1,660	1,660	3,927	2,267
EXPENDITURES				
Administrative	2,500	2,500	-	2,500
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(840)	(840)	3,927	$ 4,767
FUND BALANCES - BEGINNING OF YEAR	24,277	24,277	24,277	
FUND BALANCES - END OF YEAR	$ 23,437	$ 23,437	$ 28,204	

CITY OF WARRENTON, MISSOURI

SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
PARKS AND TOURISM FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
OPERATING REVENUE				
Taxes	$ 494,407	$ 494,407	$ 501,640	$ 7,233
Investment income	6,400	6,400	17,078	10,678
TOTAL OPERATING REVENUE	500,807	500,807	518,718	17,911
EXPENDITURES				
Current:				
Culture and recreation	229,258	229,258	68,708	160,550
TOTAL EXPENDITURES	229,258	229,258	68,708	160,550
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	271,549	271,549	450,010	178,461
OTHER FINANCING SOURCES (USES)				
Transfer in (out)	(356,160)	(356,160)	(373,932)	(17,772)
CHANGE IN FUND BALANCE	(84,611)	(84,611)	76,078	$ 160,689
FUND BALANCES - BEGINNING OF YEAR	406,355	406,355	406,355	
FUND BALANCES - END OF YEAR	$ 321,744	$ 321,744	$ 482,433	

CITY OF WARRENTON, MISSOURI

SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
TIF RPA1 FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
OPERATING REVENUE				
Taxes	$ 705,024	$ 705,024	$ 830,162	$ 125,138
Investment income	1,000	1,000	34,522	33,522
TOTAL OPERATING REVENUE	706,024	706,024	864,684	158,660
EXPENDITURES				
Debt service:				
Principal, interest and fiscal charges	825,202	825,202	825,202	-
TOTAL EXPENDITURES	825,202	825,202	825,202	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	706,024	(119,178)	39,482	$ 158,660
FUND BALANCES - BEGINNING OF YEAR	903,567	903,567	903,567	
FUND BALANCES - END OF YEAR	$ 1,609,591	$ 784,389	$ 943,049	

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APPENDIX B

SUMMARY OF THE BOND ORDINANCE

The following, in addition to the information contained the Official Statement, summarizes certain provisions of the Ordinance. This summary does not purport to be complete, and reference is made to the Ordinance for the complete provisions thereof.

Definitions

In addition to words and terms defined elsewhere herein, the following capitalized words and terms as used in the Ordinance and in this Official Statement shall have the following meanings:

"Act" means Chapter 250 of the Revised Statutes of Missouri, as amended.

"Average Annual Debt Service" means the average of the Debt Service Requirements as computed for the then-current and all future fiscal years.

"Bond Counsel" means Gilmore & Bell, P.C., 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 Insurance Policy" means the Municipal Bond Insurance Policy issued by the Bond Insurer on the date of delivery of the Bonds that guarantees the payment when due of principal of and interest on the Bonds as provided therein.

"Bond Insurer" means Build America Mutual Assurance Company, or any successor thereto.

"Bond Insurer Provisions" means the provisions relating to the Bond Insurer and the Bond Insurance Policy authorized by the Ordinance and attached as an exhibit to the Ordinance.

"Bond Payment Date" means any date on which principal of or interest on any Bond is payable at the Maturity thereof or on any Interest Payment Date.

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

"Bondowner" or **"Registered Owner"** when used with respect to any Bond means the Person in whose name such Bond is registered on the Bond Register.

"Bonds" means the City's Combined Waterworks and Sewerage System Revenue Bonds, Series 2025, in the original principal amount of $__________, authorized and issued pursuant to the 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 operations.

"City" means the City of Warrenton, Missouri, and any successors or assigns.

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable regulations of the Treasury Department proposed or promulgated thereunder.

"Consultant" means an independent engineer or engineering firm having a favorable reputation for skill and experience in the construction, financing and operation of public utilities and the preparation of management studies and financial feasibility studies in connection therewith, selected by the City for the purpose of carrying out the duties imposed on the Consultant by the Ordinance.

"Continuing Disclosure Undertaking" means the Continuing Disclosure Undertaking of the City dated as of November 1, 2025.

"Current Expenses" means all reasonable and necessary expenses of operation, maintenance and repair of the System and keeping the System in good repair and working order, including without limiting the generality of the foregoing, current maintenance charges, expenses of reasonable upkeep and repairs, salaries, wages, costs of materials and supplies, Paying Agent fees and expenses, annual audits, periodic Consultant's reports, properly allocated share of charges for insurance, the cost of purchased water, gas and power, if any, obligations (other than for borrowed money or for rents payable under capital leases) incurred in the ordinary course of business, liabilities incurred by endorsement for collection or deposit of checks or drafts received in the ordinary course of business, deposits required to be made to a rebate fund for any System Revenue Bonds, short-term obligations incurred and payable within a particular fiscal year, other obligations or indebtedness incurred for the purpose of leasing (pursuant to a true or operating lease) equipment, fixtures, inventory or other personal property, and all other expenses incident to the operation of the System, but shall exclude (1) all general administrative expenses of the City, unless related to the operation of the System, (2) capital expenditures, (3) interest paid on System Revenue Bonds, (4) depreciation and amortization charges during the period of determination, and (5) costs of issuance relating to System Revenue Bonds.

"Debt Service Fund" means the fund by that name created by the Ordinance.

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

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

"Defeasance Obligations" means any of the following obligations:

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

(b) obligations of any state or political subdivision of any state, the interest on which is excluded from gross income for federal income tax purposes and which meet the following conditions:

(1) the obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

(2) the obligations are secured by cash or United States Government Obligations that may be applied only to principal of, premium, if any, and interest payments on such obligations;

(3) such cash and the principal of and interest on such United States Government Obligations 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 in the highest rating category by Moody's Investors Service, Inc. (presently "Aaa") or S&P Global Ratings, a division of S&P Global, Inc. (presently "AAA").

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

"Federal Tax Certificate" means the Federal Tax Certificate related to the Bonds and executed by the City.

"Insurance Consultant" means an individual or firm selected by the City qualified to survey risks and to recommend insurance coverage for entities engaged in operations similar to those of the System and having a favorable reputation for skill and experience in making such surveys and recommendations.

"Interest Payment Date" means the Stated Maturity of an installment of interest on any Bond.

"Maturity" when used with respect to any Bond or installment of principal thereof means the date on which the Bond or installment of principal of such Bond becomes due and payable as therein and in the Ordinance provided, whether at the Stated Maturity thereof or call for redemption, declaration of acceleration or otherwise.

"Net Revenues" means all Revenues less all Current Expenses.

"Operation and Maintenance Account" means the account by that name ratified by the Ordinance.

"Ordinance" or **"Bond Ordinance"** means the Ordinance of the City authorizing the issuance of the Bonds, as from time to time amended in accordance with the terms thereof.

"Outstanding" means, when used with reference to Bonds, as of any particular date, all Bonds theretofore issued and delivered under the Ordinance, except the following Bonds:

(a) Bonds theretofore cancelled by the Paying Agent or delivered to the Paying Agent for cancellation;

(b) Bonds deemed to be paid in accordance with the provisions of the Ordinance; and

(c) Bonds in exchange for or in lieu of which other Bonds have been registered and delivered under the Ordinance.

"Parity Bonds" means the Series 2014 Bonds, the Series 2021 Bonds, the Series 2023 Bonds and any additional bonds or other obligations hereafter issued or incurred pursuant the Ordinance and standing on a parity and equality with the Bonds with respect to the payment of principal and interest from the Net Revenues.

"Parity Ordinances" means the Series 2014 Ordinance, the Series 2021 Ordinance, the Series 2023 Ordinance and any ordinance or ordinances under which any Parity Bonds are hereafter issued pursuant to the Ordinance.

"Paying Agent" means U.S. Bank Trust Company, National Association, Indianapolis, Indiana, and any successors and assigns.

"Permitted Investments" means any securities, if and to the extent the same are at the time legal for investment of the City's funds.

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

"Project" means acquiring, constructing, extending and improving the System, including the construction of a new water tower and connection lines and the expansion of the existing wastewater treatment plant and collection system and the acquisition of real estate and easements related thereto.

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

"Rebate Fund" means the fund by that name referred to in the Ordinance.

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

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

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

"Revenue Fund" means the fund by that name referred to in the Ordinance.

"Revenues" means all income and revenues derived from the operation of the System, including investment income, and any amounts deposited in escrow in connection with the acquisition, construction, remodeling, renovation and equipping of facilities to be applied during the period of determination to pay interest on System Revenue Bonds, but excluding any profits or losses on the early extinguishment of debt or on the sale or other disposition, not in the ordinary course of business, of investments or fixed or capital assets and any other moneys of the City which have been appropriated by the Board of Aldermen to pay expenses of the System or other Debt Service Requirements.

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

"Series 2014 Bonds" means the City's Combined Waterworks and Sewerage System Revenue Bonds, Series 2014, issued in the original principal amount of $9,910,000.

"Series 2014 Ordinance" means the ordinance of the City adopted on December 2, 2014, authorizing the issuance of the Series 2014 Bonds.

"Series 2021 Bonds" means the City's Combined Waterworks and Sewerage System Revenue Bonds, Series 2021, issued in the original principal amount of $5,310,000.

"Series 2021 Ordinance" means the ordinance of the City adopted on July 20, 2021, authorizing the issuance of the Series 2021 Bonds.

"Series 2023 Bonds" means the City's Combined Waterworks and Sewerage System Revenue Bonds, Series 2023, issued in the original principal amount of $4,895,000.

"Series 2023 Ordinance" means the ordinance of the City adopted on September 19, 2023, authorizing the issuance of the Series 2023 Bonds.

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

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

"Subsidy Payments" means funds received (or with respect to the parity test funds that are reasonably expected to be received) by the City that either (a) must be used or (b) have been used (or with respect to the parity test are reasonably expected to be used) to reduce the interest or principal payments on System Revenue Bonds. Such Subsidy Payments would include, but are not limited to, payments received by the City through a federal or State of Missouri program.

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

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

"Underwriter" means Stifel, Nicolaus & Company, Incorporated, St. Louis, Missouri, the original purchaser of the Bonds.

"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).

Establishment of Funds and Accounts

The Ordinance creates or ratifies and orders to be established and maintained the following separate funds:

(a) Combined Waterworks and Sewerage System Project Fund (the "Project Fund").

(b) Combined Waterworks and Sewerage System Revenue Fund (the "Revenue Fund").

(c) Combined Waterworks and Sewerage System Operation and Maintenance Account (the "Operation and Maintenance Account").

(d) Debt Service Fund for the Combined Waterworks and Sewerage System Revenue Bonds, Series 2025 (the "Debt Service Fund").

(e) Combined Waterworks and Sewerage System Depreciation and Replacement Account (the "Depreciation and Replacement Account").

(f) Combined Waterworks and Sewerage System Surplus Account (the "Surplus Account").

(g) Rebate Fund for the Combined Waterworks and Sewerage System Revenue Bonds, Series 2025 (the "Rebate Fund").

The funds and accounts referred to in paragraphs (a) through (g) of this Section shall be maintained and administered by the City solely for the purposes and in the manner as provided in the Act and in the Ordinance and the Parity Ordinances, so long as any of the Bonds remain Outstanding within the meaning of the Ordinance.

Application of Moneys in the Project Fund

Moneys in the Project Fund shall be used solely for the purpose of paying the cost of (1) the Project, in accordance with the plans and specifications therefor prepared by the Consultant or the City's engineer(s), heretofore approved by the Board of Aldermen of the City and on file in the office of the City Clerk, including any alterations in or amendments to said plans and specifications deemed advisable by the Consultant or the City's engineer(s) and approved by the Board of Aldermen, and (2) issuing the Bonds.

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

Upon completion of the Project, all surplus moneys remaining in the Project Fund and not required for the payment of unpaid costs thereof shall be deposited into the Debt Service Fund.

Revenue Fund

From and after the delivery of the Bonds, and continuing as long as any of the Bonds remain Outstanding, all of the Revenues derived and collected from the operation of the System shall as and when received be paid and deposited into the Revenue Fund. Said Revenues shall be segregated and kept separate apart from all other moneys, revenues, funds and accounts of the City and shall not be commingled with any other moneys, revenues, funds and accounts of the City. The Revenue Fund shall be administered and applied solely for the purposes and in the manner provided in the Ordinance.

Application of Moneys in Funds

On the first Business Day of each month, the City will administer and allocate all the moneys then held in the Revenue Fund as follows:

(a) *Operation and Maintenance Account.* There shall first be paid and credited to the Operation and Maintenance Account an amount sufficient to pay the estimated Current Expenses during the ensuing month. All amounts paid and credited to the Operation and Maintenance Account shall be expended and used by the City solely for the purpose of paying Current Expenses.

(b) *Debt Service Fund.* There shall next be paid and credited monthly to the Debt Service Fund, to the extent necessary to meet on each Bond Payment Date the payment of all interest on and principal of the Bonds, the following sums:

(1) Beginning on January 1, 2026, and continuing on the first day of each month thereafter so long as any of the Bonds remain Outstanding and unpaid, an amount not less than 1/6 of the amount of interest that will become due on the Bonds on the next succeeding Interest Payment Date; and

(2) Beginning with the first of said monthly deposits and continuing on the first day of each month thereafter to and including June 1, 2026, an equal pro rata portion of the amount of principal of the Bonds becoming due on July l, 2026; and thereafter, beginning on July 1, 2026, and continuing on the first day of each month thereafter, so long as any of the Bonds remain Outstanding and unpaid, an amount not less than 1/12th of the amount of principal that will become due on the Bonds on the next succeeding Maturity date.

The amounts required to be paid and credited to the Debt Service Fund pursuant to this Section shall be paid at the same time and on a parity with the amounts at the time required to be paid and credited to the debt service funds or accounts established for the payment of principal and interest on any Parity Bonds under the provisions of any Parity Ordinances (which, for any Outstanding Parity Bonds which require deposits in the month other than the first day of each month, will be the amount due for such month).

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

If at any time the moneys in the Revenue Fund are insufficient to make in full the payments and credits at the time required to be made to the Debt Service Fund and to the debt service funds established to pay the principal of and interest on any Parity Bonds, the available moneys in the Revenue Fund shall be divided among such debt service funds in proportion to the respective principal amounts of said series of Parity Bonds at the time outstanding which are payable from the moneys in said debt service funds.

(c) *Payments required under Parity Ordinances*. After all payments and credits required at the time to be made under the provisions of paragraphs (a) and (b) of this Section have been made, there shall next be paid and credited to the funds and accounts created under the Parity Ordinances, including payments to pay administrative fees relating to the Outstanding Parity Bonds and to fund debt service reserve accounts for any Outstanding Parity Bonds.

(d) *Depreciation and Replacement Account.* After all payments and credits required at the time to be made under the provisions of paragraphs (a), (b) and (c) have been made, there shall next be paid and credited to the Depreciation and Replacement Account the sum of $5,000 each month until the balance in the Depreciation and Replacement Account equals $120,000.

Except as hereinafter described under the caption **"Transfer of Funds to Paying Agent,"** moneys in the Depreciation and Replacement Account shall be expended and used by the City, if no other funds are available therefor, solely for the purpose of making emergency repairs and replacements in and to the System as may be necessary to keep the System in good repair and working order and to assure the continued effective and efficient operation thereof. If any funds are used from the Depreciation and Replacement Account and the balance in such fund is less than $120,000, the City shall commence making payments equal to the lesser of the difference between the balance in the Depreciation and Replacement Account and $120,000 or $5,000, until such time as the balance again equals $120,000.

Any amounts at the time required to be paid and credited to the Depreciation and Replacement Account under the provisions of the Parity Ordinances will be deemed a credit towards the amounts required to be paid and credited to the Depreciation and Replacement Account pursuant to this paragraph.

(e) *Surplus Account.* After all payments and credits required at the time to be made under the provisions of paragraphs (a), (b), (c) and (d) have been made, all moneys remaining in the Revenue Fund on the first day of each month shall be paid and credited to the Surplus Account. Moneys in the Surplus Account may be expended and used for the following purposes as determined by the governing body of the City:

(1) Paying the cost of the operation, maintenance and repair of the System to the extent that may be necessary after the application of the moneys held in the Operation and Maintenance Account under the provisions of paragraph (a) of this Section;

(2) Paying the cost of extending, enlarging or improving the System;

(3) Preventing default in, anticipating payments into or increasing the amounts in the Debt Service Fund or the Depreciation and Replacement Account referred to in paragraphs (b) and (d), or establishing or increasing the amount of any debt service fund or debt service reserve fund created by the City for the payment of any Parity Bonds;

(4) Calling, redeeming and paying prior to Stated Maturity, or, at the option of the City, purchasing in the open market at the best price obtainable not exceeding the Redemption Price (if any bonds are callable), the Bonds or any Parity Bonds, including principal, interest and redemption premium, if any;

(5) Any other lawful purpose in connection with the operation of the System and benefiting the System; or

(6) Any lawful purpose of the City.

(f) *Deficiency of Payments into Funds.* If at any time the Revenues are insufficient to make any payment on the date or dates specified in the Ordinance, the City will make good the amount of such deficiency by making additional payments or credits out of the first available Revenues thereafter received from the operation of the System, such payments and credits being made and applied in the order hereinbefore specified in this Section.

Transfer of Funds to Paying Agent

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

Payments Due on Saturdays, Sundays and Holidays

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

Nonpresentment of Bonds

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

Application of Moneys in the Rebate Fund

There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Federal Tax Certificate. All money in the Rebate Fund shall be held in trust, to the extent required to satisfy any arbitrage rebate due to the United States of America, and neither the City nor the Registered Owner of any Bond shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section and the Federal Tax Certificate.

The City shall periodically determine the rebatable arbitrage under Section 148(f) of the Code in accordance with the Federal Tax Certificate, and the City shall make payments to the United States Government at the times and in the amounts determined under the Federal Tax Certificate. Any funds remaining in the Rebate Fund after redemption and payment of all of the Bonds and the interest thereon, and payment and satisfaction of any arbitrage rebate, or provision made therefor, shall be released to the City.

Notwithstanding any other provision of the Ordinance, the obligation to pay rebatable arbitrage to the United States and to comply with all other requirements of this Section and the Federal Tax Certificate shall survive the defeasance or payment in full of the Bonds.

Deposit and Investment of Moneys

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

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

Efficient and Economical Operation

The City will continuously own and operate the System as a revenue producing system in an efficient and economical manner and will keep and maintain the same in good repair and working order. The City will establish and maintain such rules and regulations for the use of the System as may be necessary to assure maximum utilization and most efficient operation of the System.

Rate Covenant

The City in accordance with and subject to applicable legal requirements will fix, establish, maintain and collect such rates and charges for the use and services furnished by or through the System as will produce Revenues sufficient to (a) pay the Current Expenses of the System; (b) pay the principal of and interest on the System Revenue Bonds as and when the same become due at the Maturity thereof or on any Interest Payment Date; (c) enable the City to have in each fiscal year Net Revenues not less than 120% of the Debt Service Requirements for the next fiscal year; and (d) provide reasonable and adequate reserves for the payment of the Bonds and the interest thereon and for the protection and benefit of the System as provided in the Ordinance. The City will require the prompt payment of accounts for service rendered by or through the System and will promptly take whatever action is legally permissible to enforce and collect delinquent charges. The City will, from time to time as often as necessary, in accordance with and subject to applicable legal requirements, revise the rates and charges aforesaid in such manner as may be necessary or proper so that the Net Revenues will be sufficient to cover the obligations described under this Section and otherwise under the provisions of the Ordinance. If in any fiscal year Net Revenues are an amount less than as hereinbefore described, the City will immediately employ a Consultant to make recommendations with respect to such rates and charges. A copy of the Consultant's report and recommendations shall be filed with the City Clerk and the Underwriter and shall be furnished to any Registered Owner of the Bonds requesting a copy of the same, at the cost of such Registered Owner. The City shall, to the extent feasible, follow the recommendations of the Consultant.

Reasonable Charges for all Services

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

Restrictions on Mortgage or Sale of System

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

(a) sell at fair market value any portion of the System which has been replaced by other similar property of at least equal value, or which ceases to be necessary for the efficient operation of the System, and in the event of sale, the City will apply the proceeds to either (1) redemption of Outstanding Bonds in accordance with the provisions governing repayment of Bonds in advance of Stated Maturity, or (2) replacement of the property so disposed of by other property the revenues of which shall be incorporated into the System as provided in the Ordinance;

(b) cease to operate, abandon or otherwise dispose of any property which has become obsolete, nonproductive or otherwise unusable to the advantage of the City;

(c) lease, (1) as lessor, any real or personal property which is unused or unimproved, or which has become obsolete, nonproductive or otherwise unusable to the advantage of the City, or which is being acquired as a part of a lease/purchase financing for the acquisition and/or improvement of such property; and/or (2) as lessee, with an option of the City to purchase, any real or personal property for the extension and improvement of the System. Property being leased as lessor and/or lessee as described under this subparagraph (c) shall not be treated as part of the System and may be mortgaged, pledged or otherwise encumbered; and

(d) sell, lease or convey all or substantially all of the System to another entity or enter into a management contract with another entity if:

(1) The transferee entity is a political subdivision organized and existing under the laws of the State of Missouri, or instrumentality thereof, or an organization described in Section 501(c)(3) of the Code, and expressly assumes in writing the due and punctual payment of the principal of and premium, if any, and interest on all outstanding System Revenue Bonds according to their tenor, and the due and punctual performance and observance of all of the covenants and conditions of the Ordinance;

(2) If there remains unpaid any System Revenue Bond which bears interest that is not includable in gross income under the Code, the City receives an opinion of Bond Counsel, in form and substance satisfactory to the City, to the effect that under then existing law the consummation of such sale, lease or conveyance, whether or not contemplated on any date of the delivery of such System Revenue Bond, would not cause the interest payable on such System Revenue Bond to become includable in gross income under the Code;

(3) The City receives a certificate of the Consultant which demonstrates and certifies that immediately upon such sale or conveyance the transferee entity will not, as a result thereof, be in default in the performance or observance of any covenant or agreement to be performed or observed by it under the Ordinance;

(4) Such transferee entity possesses such licenses to operate the System as may be required if it is to operate the System; and

(5) The City receives an opinion of Bond Counsel, in form and substance satisfactory to the City, as conclusive evidence that any such sale, lease or conveyance, and any such assumption, is permitted by law and complies with the provisions of the Ordinance.

Insurance

The City will carry and maintain insurance with respect to the System and its operations against such casualties, contingencies and risks (including but not limited to property and casualty, fire and extended coverage insurance upon all of the properties forming a part of the System insofar as the same are of an insurable nature, public liability, business interruption or worker’s compensation and employee dishonesty insurance), such insurance to be of the character and coverage and in such amounts as would normally be carried by other enterprises engaged in similar activities of comparable size and similarly situated. In the event of loss or damage, the City, with reasonable dispatch, will use the proceeds of such insurance in reconstructing and replacing the property damaged or destroyed, or in paying the claims on account of which such proceeds were received, or if such reconstruction or replacement is unnecessary or impracticable, then the City will pay and deposit the proceeds of such insurance into the Revenue Fund. The City will annually review the insurance it maintains with respect to the System to determine that it is customary and adequate to protect its property and operations. The City may elect to be self-insured for all or any part of the foregoing requirements if (a) the City annually obtains a written evaluation with respect to such self-insurance program from an Insurance Consultant, (b) the evaluation is to the effect that the self-insurance program is actuarially sound, (c) unless the evaluation states that such reserves are not necessary, the City deposits and maintains adequate reserves for the self-insurance program with a corporate trustee, who may be the Paying Agent, and (d) in the case of workers' compensation, adequate reserves created by the City for such self-insurance program are deposited and maintained in such amount and manner as are acceptable to the State of Missouri. The City shall pay any fees and expenses of such Insurance Consultant in connection therewith. The cost of all insurance obtained pursuant to the above-described requirements shall be paid as a Current Expense.

Books, Records and Accounts

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

Annual Budget

Prior to the commencement of each fiscal year, the City will cause to be prepared and filed with the City Clerk a budget setting forth the estimated receipts and expenditures of the System for the next succeeding fiscal year. Said annual budget shall be prepared in accordance with the requirements of the laws of Missouri and shall contain all information that is required by such laws.

Annual Audit

Within 210 days after the end of the fiscal year, the City will cause an audit to be made of the System for the preceding fiscal year by a certified public accountant or firm of certified public accountants to be employed for that purpose and paid from the Revenues. Said annual audit shall cover in reasonable detail the operation of the System during such fiscal year and shall evidence compliance with the rate covenant contained in the Ordinance.

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 user of the services of the System, any Registered Owner of any of the Bonds, or by anyone acting for or on behalf of such taxpayer, user or Registered Owner.

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

Right of Inspection

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

Personnel

The City shall use its best efforts to employ at all times personnel experienced and well qualified to operate the System. The City further agrees that such personnel shall be employed in sufficient numbers to ensure that the System will be operated in a prudent and efficient manner, following procedures generally accepted within the United States of America.

Performance of Duties and Covenants

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

Senior Lien Bonds

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

Parity Lien Bonds and Other Obligations

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

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

(b) The City shall either:

(1) Certify that the Net Revenues derived by the City from the operation of the System, as set forth in the most recent annual audit of the City, shall have been equal to at least 120% of the Average Annual Debt Service with respect to all System Revenue Bonds of the City, including the additional bonds proposed to be issued. In determining the Net Revenues for the purpose of this subsection, the City may retain a Consultant

who may adjust said Net Revenues by adding thereto, in the event the City has made any increase in rates for the use and services of the System and such increase has been in effect at any time during the fiscal year immediately preceding the issuance of additional bonds, the amount, as estimated by the Consultant, of the additional Net Revenues which would have resulted from the operation of the System during said preceding fiscal year had such rate increase been in effect for the entire period; or

(2) Obtain a certificate from a Consultant that the Net Revenues projected to be derived by the City from the operation of the System for the fiscal year immediately following the fiscal year in which the improvements to the System, the cost of which is being financed by such additional bonds, are to be in commercial operation, shall be equal to at least 120% of the Average Annual Debt Service with respect to all System Revenue Bonds of the City, including the additional bonds proposed to be issued. In determining the projected Net Revenues for the purpose of this subsection, the Consultant may adjust said net revenues by adding thereto any estimated increase in Net Revenues resulting from any increase in rates for the use and services of the System which, in the opinion of the Consultant, are economically feasible and reasonably considered necessary based on projected operations of the System. Any rate increase relied on by the Consulting Engineer shall be adopted and effective prior to the sale of the additional revenue bonds.

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

Junior Lien Bonds and Other Obligations

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

Refunding Bonds

The City shall have the right, without complying with the provisions of the Ordinance, to refund any of the Bonds under the provisions of any law then available, and the refunding bonds so issued shall enjoy complete equality of pledge with any of the Bonds or the Parity Bonds which are not refunded, if any, upon the Net Revenues; provided, however, that if only a portion of the Bonds are refunded and if said Bonds are refunded in such manner that the refunding bonds bear a higher average rate of interest or become due on a date earlier than that of the Bonds which are refunded, then said Bonds may be refunded without complying with the provisions of the Ordinance only by and with the written consent of the Registered Owners of a majority in principal amount of the Bonds not refunded.

Acceleration of Maturity Upon Default

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

Other Remedies

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

(a) by mandamus or other suit, action or proceedings at law or in equity to enforce the rights of such Registered Owner or Owners against the City and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of the Ordinance or by the constitution and laws of the State of Missouri;

(b) by suit, action or other proceedings in equity or at law to require the City, its officers, agents and employees to account as if they were the trustees of an express trust; and

(c) by suit, action or other proceedings in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the Registered Owners of the Bonds.

Limitation on Rights of Bondowners

No one or more Bondowners secured by the 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

Ordinance, or to enforce any right under the Ordinance, except in the manner in the Ordinance provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Registered Owners of such Outstanding Bonds.

Remedies Cumulative

No remedy conferred in the Ordinance upon the Bondowners is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred in the Ordinance. No waiver of any default or breach of duty or contract by the Registered Owner of any Bond shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies consequent thereon. No delay or omission of any Bondowner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein. Every substantive right and every remedy conferred upon the Registered Owners of the Bonds by the Ordinance may be enforced and exercised from time to time and as often as may be deemed expedient. If any suit, action or proceedings taken by any Bondowner on account of any default or to enforce any right or exercise any remedy has been discontinued or abandoned for any reason, or has been determined adversely to such Bondowner, then, and in every such case, the City and the Registered Owners of the Bonds shall be restored to their former positions and rights under the Ordinance, respectively, and all rights, remedies, powers and duties of the Bondowners shall continue as if no such suit, action or other proceedings had been brought or taken.

No Obligation to Levy Taxes

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

Defeasance

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

Bond Insurer Provisions

The Bond Insurer Provisions are incorporated into and made a part of the Ordinance. In the event of any conflict or inconsistency with other provisions of the Ordinance, the Bond Insurer Provisions shall control.

Amendments

Notwithstanding the City's obligations under the Continuing Disclosure Undertaking which may only be modified as provided therein, the rights and duties of the City and the Bondowners, and the terms and provisions of the Bonds or of the Ordinance, may be amended or modified at any time in any respect by ordinance of the City with the written consent of the Registered Owners of not less than a majority in principal amount of the Bonds then Outstanding, such consent to be evidenced by an instrument or instruments executed by such Registered Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the City Clerk, but no such modification or alteration shall: (1) extend the maturity of any payment of principal or interest due upon any Bond; (2) effect a reduction in the amount which the City is required to pay by way of principal of or interest on any Bond; (3) permit the creation of a lien on the Net Revenues of the System prior or equal to the lien of the Bonds or Parity Bonds; (4) permit preference or priority of any Bonds over any other Bonds; (5) alter the optional Redemption Date of any Bond; or (6) reduce the percentage in principal amount of Bonds required for written consent to any modification or alteration of the Ordinance.

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

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

* * *

APPENDIX C

CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated as of November 1, 2025 (the **"Continuing Disclosure Undertaking"**), is executed and delivered by the **CITY OF WARRENTON, MISSOURI** (the **"Issuer"**).

RECITALS

1. This Continuing Disclosure Undertaking is executed and delivered in connection with the issuance by the Issuer of $__________ aggregate principal amount of Combined Waterworks and Sewerage System Revenue Bonds, Series 2025 (the **"Bonds"**), pursuant to an ordinance adopted by the governing body of the Issuer on November 4, 2025 (the **"Ordinance"**).

2. The Issuer is entering into this Continuing Disclosure Undertaking for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the **"Rule"**). The Issuer is the only **"obligated person"** with responsibility for continuing disclosure hereunder.

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 Continuing Disclosure 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.

Bond Insurer" means Build America Mutual Assurance Company, or any successor thereto.

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

"Dissemination Agent" means any entity designated in writing by the Issuer to serve as dissemination agent pursuant to this Continuing Disclosure 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 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 offering of the Bonds.

Section 2. Provision of Annual Reports.

(a) The Issuer shall not later than **210** days following the end of each Fiscal Year, commencing with the Fiscal Year ending December 31, 2025, file with the MSRB, through EMMA, and the Bond Insurer 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 contained in the final Official Statement related to the Bonds. If audited financial statements are not available by the time the Annual Report is required to be provided pursuant to this Section, the Annual Report shall contain the unaudited financial statements in a format similar to the financial statements contained in the final Official Statement relating to the Bonds, and the audited financial statements shall be 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 contained in the final Official Statement related to the Bonds, as described in **Exhibit A**, in substantially the same format contained in the final Official Statement related to the Bonds with such adjustments to formatting or presentation determined to be reasonable by the Issuer.

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 provided to the MSRB and are available through EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB on EMMA. The 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. Not 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-exempt 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 obligated person;
(m) the consummation of a merger, consolidation, or acquisition involving the obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
(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 obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
(p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

If the Issuer has not submitted the Annual Report to the MSRB by the date required in **Section 2(a)** hereof, the Issuer shall, in a timely manner, send a notice to the MSRB, in substantially the form attached hereto as **Exhibit B**, 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.

Section 4. Termination of Reporting Obligation. The Issuer's obligations under this Continuing Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the Issuer's obligations under this Continuing Disclosure Undertaking are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Undertaking in the same manner as if it were the Issuer, and the Issuer shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination or substitution in the same manner as for a Material Event under **Section 3** hereof.

Section 5. Dissemination Agents. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Undertaking, and may discharge any such dissemination agent, with or without appointing a successor Dissemination Agent. The dissemination agent may resign as dissemination agent hereunder at any time upon **30** days prior written notice to the Issuer. A 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 Continuing Disclosure Undertaking.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Undertaking, the Issuer may amend this Continuing Disclosure Undertaking and any provision of this Continuing Disclosure Undertaking may be waived, provided that Bond Counsel or other counsel experienced in federal securities law matters provides the 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 Continuing Disclosure Undertaking.

In the event of any amendment or waiver of a provision of this Continuing Disclosure 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 Continuing Disclosure Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that required by this Continuing Disclosure Undertaking. If the 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 Continuing Disclosure Undertaking, the Issuer shall have no obligation under this Continuing Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 8. Default. If the Issuer fails to comply with any provision of this Continuing Disclosure Undertaking, any Participating Underwriter or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Continuing Disclosure Undertaking. A default under this Continuing Disclosure Undertaking shall not be deemed an event of default under the Ordinance or the Bonds, and the sole remedy under this Continuing Disclosure

Undertaking in the event of any failure of the Issuer to comply with this Continuing Disclosure Undertaking shall be an action to compel performance.

Section 9. **Beneficiaries.** This Continuing Disclosure Undertaking shall inure solely to the benefit of the Issuer, the Participating Underwriter, the Bond Insurer and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 10. **Severability.** If any provision in this Continuing Disclosure Undertaking, the Ordinance or the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 11. **Electronic Transactions.** The arrangement described herein may be conducted and related documents may be sent, received, or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 12. **Governing Law.** This Continuing Disclosure Undertaking shall be governed by and construed in accordance with the laws of the State of Missouri.

IN WITNESS WHEREOF, the Issuer has caused this Continuing Disclosure Undertaking to be executed this _____ day of November, 2025.

CITY OF WARRENTON, MISSOURI

By: ________________________________
Mayor

EXHIBIT A

FINANCIAL INFORMATION AND OPERATING DATA TO BE INCLUDED IN ANNUAL REPORT

The following sections and tables contained in the final Official Statement under the caption "**THE COMBINED WATERWORKS AND SEWERAGE SYSTEM**:

1. "**– Rates and Charges.**"
2. "**– Service Area and Customers**."
3. "**– Operating Results**."
4. "**– Debt Service Requirements**."
5. "**– Historical Debt Service Coverage**."

EXHIBIT B
TO CONTINUING DISCLOSURE UNDERTAKING

FORM OF FAILURE TO FILE NOTICE

Event Notice Pursuant to SEC Rule 15c2-12(b)(5)(C)

Issuer/Obligated Person:	City of Warrenton, Missouri
Issues to which this Notice relates:	Combined Waterworks and Sewerage System Revenue Bonds, Series 2025

CUSIP Numbers for Issue to which this Notice relates:

Maturity Date	**CUSIP Number**

Event Reported:	Failure to Timely File Annual Financial Information/Audited Financial Statements

The Obligated Person did not timely file its operating data for the fiscal year ended December 31, 20___. Such operating data [*will be*] [*was*] filed with the MSRB through EMMA on _______, 20__.

The Obligated Person did not timely file its audited financial statements for the fiscal year ended December 31, 20___. Such audited financial statements [*will be*] [*were*] filed with the MSRB through EMMA on ___________, 20___.

The information contained in this Notice has been submitted by the Obligated Person pursuant to contractual undertakings the Obligated Person made in accordance with SEC Rule 15c2-12. Nothing contained in the undertaking or this Notice is, or should be construed as, a representation by the Obligated Person that the information included in this Notice constitutes all of the information that may be material to a decision to invest in, hold or dispose of any of the securities listed above, or any other securities of the Obligated Person.

For additional information, contact:

Mr./Ms. _______________
Finance Manager
City of Warrenton, Missouri
200 West Booneslick
Warrenton, Missouri 63383
(636) 456-3535

Date Submitted: [Date]

CITY OF WARRENTON, MISSOURI

APPENDIX D

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.bambonds.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at https://www.spglobal.com/en/. The rating of BAM should be evaluated independently. The rating reflects S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of June 30, 2025 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $503.3 million, $258.1 million and $245.2 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.bambonds.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at https://bambonds.com/insights/#video. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at https://bambonds.com/credit-profiles. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

BAM

MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER] | Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: $__________ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on] | Effective Date: _________

Risk Premium: $__________
Member Surplus Contribution: $_________
Total Insurance Payment: $_________

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: ____

Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
200 Liberty Street, 27th floor
New York, New York 10281
Telecopy:
212-962-1524 (attention: Claims)

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APPENDIX E

BOOK-ENTRY ONLY SYSTEM

General. The Series 2025 Bonds are available in book-entry only form. Purchasers of the Series 2025 Bonds will not receive certificates representing their interests in the Series 2025 Bonds. Ownership interests in the Series 2025 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 (defined in this section as the "Issuer") takes no responsibility for the accuracy or completeness thereof and neither the Indirect Participants nor the Beneficial Owners should rely on the following information with respect to such matters, but should instead confirm the same with DTC or the Direct Participants, as the case may be. There can be no assurance that DTC will abide by its procedures or that such procedures will not be changed from time to time.

1. DTC will act as securities depository for the Series 2025 Bonds. The Series 2025 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Series 2025 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

2. 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.

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2025 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2025 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 Bonds, except in the event that use of the book-entry system for the Series 2025 Bonds is discontinued.

4. 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 Series 2025 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.

5. 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.

6. Redemption notices shall be sent to DTC. If less than all of the Series 2025 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. 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 MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer 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).

8. Redemption proceeds, distributions, and dividend payments on the Series 2025 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 Issuer or the Paying Agent, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer 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.

9. DTC may discontinue providing its services as depository with respect to the Series 2025 Bonds at any time by giving reasonable notice to the Issuer or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

10. The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.