

1st Reading 7/23/2024
2nd Reading 8/27/2024

BILL NO. 24-25

ORDINANCE NO. 5475

AN ORDINANCE AUTHORIZING AND DIRECTING THE ISSUANCE, SALE AND DELIVERY OF GENERAL OBLIGATION BONDS, SERIES 2024, OF THE CITY OF CRESTWOOD, MISSOURI; PRESCRIBING THE FORM AND DETAILS OF SAID BONDS; PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX FOR THE PURPOSE OF PAYING THE PRINCIPAL OF AND INTEREST ON SAID BONDS AS THEY BECOME DUE; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH

WHEREAS, the City of Crestwood, Missouri (the “City”), is a charter city and political subdivision of the State of Missouri, duly created, organized and existing under and by virtue of the Constitution and laws of the State of Missouri and the City’s charter; and

WHEREAS, the City is authorized under the provisions of Article VI, Section 26 of the Constitution of Missouri, as amended, and Section 95.115 et seq., of the Revised Statutes of Missouri, as amended (collectively, the “General Obligation Bond Law”), to incur indebtedness and issue and sell general obligation bonds of the City to evidence such indebtedness for lawful purposes, upon obtaining the approval of at least four-sevenths of the qualified electors of the City voting on the proposition to incur indebtedness at a municipal, primary or general election; and

WHEREAS, pursuant to the General Obligation Bond Law, an election was duly held in the City at the primary election on Tuesday, April 2, 2024 (the “Election”), on the following proposition:

PROPOSITION A

Shall the City of Crestwood, Missouri, issue its general obligation bonds in an amount not to exceed \$33,340,000 for the purpose of constructing, furnishing and equipping a new community center, renovating existing recreation facilities, and

undertaking other park and recreation improvements in and adjacent to City of Crestwood parks?

WHEREAS, the votes cast at the Election were duly canvassed as provided by law, and it was found and declared that more than four-sevenths of the qualified voters within the boundaries of the City voting at the Election on the proposition voted in favor of the issuance of the bonds, the vote on the proposition having been 2,183 votes for the issuance of the bonds and 1,467 votes against the issuance of the bonds; and

WHEREAS, the City has not issued any of the bonds authorized at the Election, and the City now desires to issue all of the bonds so authorized; and

WHEREAS, as a result of current market conditions relating to the sale of the Bonds and the unexpected increased costs of the Project in excess of contingencies considered when seeking voter authorization, the City has determined it is necessary and advisable to generate funds from the sale of certain Bonds which are issued with original issue premium, which includes costs of issuance of the Bonds, by agreeing to accept bids for the Bonds at a purchase price in excess of 100% of the principal amount of the Bonds; and

WHEREAS, the City acknowledges that the interest rates payable on the bonds which generate original issue premium (the "Premium Bonds") will result in debt service payments that are higher than if the Premium Bonds had been sold at interest rates equal to the yield on each maturity of the Premium Bonds; and

WHEREAS, the Board of Aldermen hereby finds and determines that it is necessary and advisable and in the best interest of the City and of its inhabitants at this time to authorize the issuance and delivery of the bonds pursuant to the General Obligation Bond Law for the purposes aforesaid as herein provided.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF CRESTWOOD, MISSOURI, AS FOLLOWS:

ARTICLE I
DEFINITIONS

Section 101. Definitions of Words and Terms. In addition to words and terms defined elsewhere herein, the following words and terms as used in this Ordinance shall have the following meanings:

“**Beneficial Owner**” means whenever used with respect to a Bond, the Person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such Person’s subrogee.

“**Bond Counsel**” means Gilmore & Bell, P.C., St. Louis, Missouri, or other attorneys or firm of attorneys with a nationally recognized standing in the field of municipal bond financing selected by the City.

“**Bond Payment Date**” means any date on which principal or Redemption Price of or interest on any Bond is payable.

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

“**Bonds**” means the not to exceed \$33,340,000 General Obligation Bonds, Series 2024, authorized and issued by the City pursuant to this Ordinance.

“**Business Day**” means a day, other than a Saturday, Sunday or holiday, on which the Paying Agent is scheduled in the normal course of its operations to be open to the public for conduct of its banking operations.

“**Cede & Co.**” means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

“**City**” means the City of Crestwood, Missouri, and any successors or assigns.

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

“**Continuing Disclosure Undertaking**” means the Continuing Disclosure Undertaking dated as of September 1, 2024, in substantially the form attached hereto as **Exhibit C**.

“**Debt Service Fund**” means the fund by that name referred to in **Section 501** hereof.

“**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, if and to the extent the same are at the time legal for investment of the City’s funds:

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

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

(1) the obligations are not subject to redemption prior to maturity or 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, 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 an 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 same rating category as United States Government Obligations or higher by a nationally recognized rating service.

“DTC” or “Securities Depository” means The Depository Trust Company of New York, New York.

“FAST Agent” means the Paying Agent when acting as agent for DTC in accordance with rules established by DTC for Fast Automated Securities Transfers.

“Federal Tax Certificate” means the Federal Tax Certificate executed by the City on the date of issuance of the Bonds, as the same may be amended or supplemented in accordance with the provisions thereof.

“Fiscal Year” means the fiscal year of the City, currently the period beginning January 1 and ending December 31.

“Final Terms Certificate” means the Final Terms Certificate, in substantially the form attached hereto as **Exhibit E**, executed and delivered by the Mayor pursuant to **Section 210** hereof and attached to this Ordinance as of the date of issuance of the Bonds.

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

“Maturity” means, when used with respect to any Bond, the date on which the principal of such Bond becomes due and payable as therein and herein provided, whether at the Stated Maturity thereof or call for redemption or otherwise.

“Ordinance” means this Ordinance adopted by the governing body of the City, authorizing the issuance of the Bonds, as amended from time to time.

“Outstanding” means, when used with reference to Bonds, as of any particular date of determination, all Bonds theretofore authenticated and delivered hereunder, except the following Bonds:

(a) Bonds previously canceled by the Paying Agent or delivered to the Paying Agent for cancellation;

(b) Bonds deemed to be paid in accordance with the provisions of **Section 701** hereof; and

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered hereunder.

“Participant” means any broker-dealer, bank or other financial institution for which DTC holds Bonds as securities depository.

“Paying Agent” means UMB Bank, N.A., St. Louis, Missouri, and any successors or assigns.

“Permitted Investments” means any legally permissible investment of the City’s funds.

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

“Project” means constructing, furnishing and equipping a new community center, renovating existing recreation facilities, and undertaking other park and recreation improvements in and adjacent to City parks.

“Project Fund” means the fund by that name referred to in **Section 501** hereof.

“Purchaser” means the original purchaser of the Bonds, identified in the Final Terms Certificate.

“Rebate Fund” means the fund by that name referred to in **Section 501** hereof.

“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 the redemption of such Bond pursuant to the terms of this 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 this Ordinance, including the applicable redemption premium, if any, but excluding installments of interest whose Stated Maturity is on or before the Redemption Date, which price is to be stated as a percentage of the principal amount of those Bonds to be redeemed.

“Registered Owner” when used with respect to any Bond means the Person in whose name such Bond is registered on the Bond Register.

“Representation Letter” means, collectively, the Representation Letter from the City to the Securities Depository and the Representation Letter from the Paying Agent to the Securities Depository with respect to the Bonds.

“Special Record Date” means the date prior to the payment date of Defaulted Interest fixed by the Paying Agent pursuant to **Section 204** hereof.

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

“United States Government Obligations” means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America, including evidences of a direct ownership interest in future interest or principal payments on obligations issued or guaranteed by the United States of America (including the interest component of obligations of the Resolution Funding Corporation), or securities which represent an undivided interest in such obligations, which obligations are rated in the same rating category or higher as the United States of America by a nationally recognized rating service and such obligations are held in a custodial account for the City’s benefit.

ARTICLE II

AUTHORIZATION OF BONDS

Section 201. Authorization of Bonds. There shall be issued and hereby are authorized and directed to be issued the City’s General Obligation Bonds, Series 2024, in an original principal amount not to exceed \$33,340,000 (the “Bonds”), as set forth in the Final Terms Certificate, subject to the limitations set forth in **Exhibit D** attached hereto, which are being issued for the purpose of providing funds to (a) pay the costs of the Project and (b) pay the costs of issuing the Bonds.

Section 202. Description of Bonds.

(a) The Bonds shall consist of fully-registered bonds, numbered from 1 upward in order of issuance, in denominations of \$5,000 or any integral multiple thereof. The Bonds, as originally issued or issued upon transfer, exchange or substitution, shall be substantially in the form set forth

in **Exhibit A** attached hereto, and shall be subject to registration, transfer and exchange as provided in **Section 205** hereof.

(b) All of the Bonds shall be dated the date of original issuance and delivery thereof. The Bonds shall become due on March 1 in the years and in the amounts on the Stated Maturities, subject to redemption and payment prior to their Stated Maturities as provided in **Article III** hereof, set forth in the Final Terms Certificate. The Bonds shall bear interest at the rates per annum (computed on the basis of a 360-day year of twelve 30-day months) set forth in the Final Terms Certificate from the date thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable semiannually on March 1 and September 1 in each year, beginning on March 1, 2025.

Section 203. Designation of Paying Agent.

(a) UMB Bank, N.A., St. Louis, Missouri, is hereby designated as the City's paying agent for the payment of principal or Redemption Price of and interest on the Bonds and bond registrar with respect to the registration, transfer and exchange of Bonds.

(b) The City will at all times maintain a Paying Agent meeting the qualifications herein described for the performance of the duties hereunder. The City reserves the right to appoint a successor Paying Agent by (i) filing with the Paying Agent then performing such function a certified copy of the proceedings giving notice of the termination of such Paying Agent and appointing a successor, and (ii) causing notice of the appointment of the successor Paying Agent to be given by first class mail to each Registered Owner. The Paying Agent may resign by giving written notice by first class mail to the City and the Registered Owners not less than 60 days prior to the date such resignation is to take effect. No resignation or removal of the Paying Agent shall become effective until a successor has been appointed and has accepted the duties of Paying Agent.

(c) Every Paying Agent appointed hereunder shall at all times be a commercial banking association or corporation or trust company located in the State of Missouri organized and doing business under the laws of the United States of America or of the State of Missouri, authorized under such laws to exercise trust powers and subject to supervision or examination by federal or state regulatory authority.

(d) The Paying Agent shall be paid its fees and expenses for its services in connection with the Bonds.

Section 204. Method and Place of Payment of Bonds.

(a) The principal or Redemption Price of and interest on the Bonds shall be payable in any coin or currency of the United States of America that, on the respective dates of payment thereof, is legal tender for the payment of public and private debts.

(b) Payment of the principal or Redemption Price of and interest on each Bond shall be made (1) by check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Bond Register or such other address furnished to the Paying Agent in writing by such Registered Owner or (2) by electronic transfer to such Registered Owner upon written notice signed by such Registered Owner and given to the Paying Agent not less than 15 days prior to the Record Date for such payment, containing the electronic transfer instructions including the name

and address of the bank, the bank's ABA routing number and account number to which such Registered Owner wishes to have such transfer directed and an acknowledgment that an electronic transfer fee may be applicable.

(c) Notwithstanding the foregoing provisions of this Section, any Defaulted Interest with respect to any Bond shall cease to be payable to the Registered Owner of such Bond on the relevant Record Date and shall be payable to the Registered Owner in whose name such Bond is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest, which Special Record Date shall be fixed as hereinafter specified in this paragraph. The City shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be at least 30 days after receipt of such notice by the Paying Agent unless the City and the Paying Agent agree to a shorter time period) and shall deposit with the Paying Agent at the time of such notice an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Paying Agent for such deposit prior to the date of the proposed payment. Following receipt of such funds the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment, unless the City and the Paying Agent agree to a shorter time period. The Paying Agent shall promptly notify the City of such Special Record Date and, in the name and at the expense of the City, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, by first class mail, postage prepaid, to each Registered Owner of a Bond entitled to such notice at the address of such Registered Owner as it appears on the Bond Register not less than 10 days prior to such Special Record Date.

(d) The Paying Agent shall keep a record of payment of the principal, Redemption Price and interest paid on all Bonds and, upon the written request of the City, shall forward a copy or summary of such records to the City.

Section 205. Registration, Transfer and Exchange of Bonds.

(a) The City covenants that, as long as any of the Bonds remain Outstanding, it will cause the Bond Register to be kept at the office of the Paying Agent or such other office designated by the Paying Agent for the registration, transfer and exchange of Bonds as herein provided. Each Bond when issued shall be registered in the name of the owner thereof on the Bond Register.

(b) Bonds may be transferred and exchanged only on the Bond Register as provided in this Section. Upon surrender of any Bond at the principal payment office of the Paying Agent, or such other office designated by the Paying Agent, the Paying Agent shall transfer or exchange such Bond for a new Bond or Bonds in any authorized denomination of the same Stated Maturity and in the same aggregate principal amount as the Bond that was presented for transfer or exchange. Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Paying Agent, duly executed by the Registered Owner thereof or by the Registered Owner's duly authorized agent.

(c) In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of this

Ordinance. The City shall pay the fees and expenses of the Paying Agent for the registration, transfer and exchange of Bonds provided for by this Ordinance and the cost of printing a reasonable supply of registered bond blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Paying Agent, are the responsibility of the Registered Owners of the Bonds. If any Registered Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Registered Owner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Section 3406 of the Code, such amount may be deducted by the Paying Agent from amounts otherwise payable to such Registered Owner hereunder or under the Bonds.

(d) The City and the Paying Agent shall not be required to (i) register the transfer or exchange of any Bond that has been called for redemption after notice of such redemption has been mailed by the Paying Agent pursuant to **Section 303** hereof and during the period of 15 days next preceding the date of mailing of such notice of redemption, or (ii) register the transfer or exchange of any Bond during a period beginning at the opening of business on the day after receiving written notice from the City of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest pursuant to **Section 204** hereof.

(e) The City and the Paying Agent may deem and treat the Person in whose name any Bond is registered on the Bond Register as the absolute owner of such Bond, whether such Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price of and interest on said Bond and for all other purposes. All payments so made to any such Registered Owner or upon the Registered Owner's order shall be valid and effective to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the City nor the Paying Agent shall be affected by any notice to the contrary.

(f) At reasonable times and under reasonable regulations established by the Paying Agent, the Bond Register may be inspected and copied by the Registered Owners of 10% or more in principal amount of the Bonds then Outstanding or any designated representative of such Registered Owners whose authority is evidenced to the satisfaction of the Paying Agent.

Section 206. Execution, Registration, Authentication and Delivery of Bonds.

(a) Each of the Bonds, including any Bonds issued in exchange or as substitutions for the Bonds initially delivered, shall be signed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk and shall have the official seal of the City affixed or imprinted thereon. In case any officer whose signature appears on any Bond ceases to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, as if such person had remained in office until delivery. Any Bond may be signed by such persons who at the actual time of the execution of such Bond are the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

(b) The Mayor and City Clerk are hereby authorized and directed to prepare and execute the Bonds in the manner herein specified, and to cause the Bonds to be registered in the office of the State Auditor of Missouri as provided by law, and, when duly executed and registered, to deliver the Bonds to the Paying Agent for authentication.

(c) The Bonds shall have endorsed thereon a certificate of authentication substantially in the form set forth in **Exhibit A** attached hereto, which shall be manually executed by an authorized signatory of the Paying Agent, but it shall not be necessary that the same signatory sign the certificate of authentication on all of the Bonds that may be issued hereunder at any one time. No Bond shall be entitled to any security or benefit under this Ordinance or be valid or obligatory for any purpose unless and until such certificate of authentication has been duly executed by the Paying Agent. Such executed certificate of authentication upon any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Ordinance. Upon authentication, the Paying Agent shall deliver the Bonds to or upon the order of the Purchaser, or shall hold the Bonds as FAST Agent for the benefit of the Beneficial Owners (as hereinafter defined), upon payment to the City of the purchase price of the Bonds plus accrued interest thereon, if any, to the date of their delivery.

Section 207. Mutilated, Destroyed, Lost and Stolen Bonds.

(a) If (i) any mutilated Bond is surrendered to the Paying Agent or the Paying Agent receives evidence to its satisfaction of the destruction, loss or theft of any Bond, and (ii) there is delivered to the Paying Agent such security or indemnity as may be required by the Paying Agent to save each of the City and the Paying Agent harmless, then, in the absence of notice to the Paying Agent that such Bond has been acquired by a bona fide purchaser, the City shall execute and the Paying Agent shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of the same Stated Maturity and of like tenor and principal amount.

(b) If any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the City may, in its discretion, direct the Paying Agent to pay such Bond instead of delivering a new Bond.

(c) Upon the issuance of any new Bond under this Section, the City or the Paying Agent may require the payment by the Registered Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent) connected therewith.

(d) Every new Bond issued pursuant to this Section shall constitute a replacement of the City's prior obligation, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Bonds.

Section 208. Cancellation and Destruction of Bonds Upon Payment. All Bonds that have been paid or redeemed or that otherwise have been surrendered to the Paying Agent, either at or before Maturity, shall be canceled by the Paying Agent immediately upon the payment, redemption and surrender thereof to the Paying Agent and subsequently destroyed in accordance with the customary practices of the Paying Agent. The Paying Agent shall execute a certificate in duplicate describing the Bonds so canceled and shall file an executed counterpart of such certificate with the City.

Section 209. Preliminary and Final Official Statement.

(a) The Preliminary Official Statement, in substantially the form attached hereto as **Exhibit B**, is hereby ratified and approved, and the final Official Statement is hereby authorized

and approved by supplementing, amending and completing the Preliminary Official Statement, with such changes and additions thereto as are necessary to conform to and describe the transaction. The Mayor is hereby authorized to execute the final Official Statement as so supplemented, amended and completed, and the use and public distribution of the final Official Statement by the Purchaser in connection with the reoffering of the Bonds is hereby authorized. The proper officials of the City are hereby authorized to execute and deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the date of payment for and delivery of the Bonds.

(b) For the purpose of enabling the Purchaser to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission (the "SEC"), the City hereby deems the information contained in the Preliminary Official Statement to be "final" as of its date, except for the omission of such information as is permitted by Rule 15c2-12(b)(1), and the appropriate officers of the City are hereby authorized, if requested, to provide the Purchaser a letter or certification to such effect and to take such other actions or execute such other documents as such officers in their reasonable judgment deem necessary to enable the Purchaser to comply with the requirement of such Rule.

(c) The City agrees to provide to the Purchaser within seven business days of the date of the sale of Bonds or within sufficient time to accompany any confirmation that requests payment from any customer of the Purchaser, whichever is earlier, an electronic copy of the final Official Statement to enable the Purchaser to comply with the requirements of Rule 15c2-12(b)(4) of the SEC and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board.

Section 210. Sale of Bonds.

(a) The City agrees to sell the Bonds to the Purchaser at the purchase price set forth in the Final Terms Certificate, upon the terms and conditions set forth therein and with such changes therein as shall be approved by the Mayor.

(b) The Mayor is hereby authorized to, without any further authorization or direction from the Board of Aldermen, (1) approve the purchase price for the Bonds, the principal amounts by maturity, the interest rates, the optional redemption provisions, and the other final terms of the Bonds, subject to the limitations set forth in **Exhibit D** attached hereto, (2) execute the Final Terms Certificate in substantially the form attached to this Ordinance as **Exhibit E**, and (3) award the sale of the Bonds or reject all bids, for and on behalf of and as the act and deed of the City, which approval will be conclusively evidenced by the execution by the Mayor of the Final Terms Certificate, provided that the final terms of the Bonds set forth therein shall meet all of the requirements of this Ordinance and the Notice of Bond Sale. Upon execution, the Final Terms Certificate will be attached and made part of this Ordinance.

Section 211. Securities Depository.

(a) The Bonds shall be initially issued as one single authenticated fully registered bond for each Stated Maturity. Upon initial issuance, the ownership of such Bonds shall be registered in the Bond Register of the City kept by the Paying Agent in the name of Cede & Co., as nominee of DTC. The Paying Agent and the City may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal or

Redemption Price of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Registered Owners of Bonds under this Ordinance, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Paying Agent nor the City shall be affected by any notice to the contrary. Neither the Paying Agent nor the City shall have any responsibility or obligation to any Participant, any Person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other Person which is not shown on the Bond Register kept by the Paying Agent as being a Registered Owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal or Redemption Price of or interest on the Bonds, with respect to any notice which is permitted or required to be given to Owners of Bonds under this Ordinance, with respect to the selection by DTC or any Participant of any Person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as Registered Owner of the Bonds. The Paying Agent shall pay all principal or Redemption Price of and interest on the Bonds only to Cede & Co. in accordance with the Representation Letter, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal or Redemption Price of and interest on the Bonds to the extent of the sum or sums so paid. No Person other than DTC (or the Paying Agent as Fast Agent) shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the City to make payments of principal or Redemption Price of and interest. Upon delivery by DTC to the Paying Agent of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (d) hereof.

(b) If Participants holding a majority position in the Bonds determine that it is in the best interest of the Beneficial Owners that they be able to obtain certificated bonds, the Participants may notify DTC and the Paying Agent, whereupon DTC shall notify the Participants of the availability through DTC of bonds. In such event, the Bonds will be transferable in accordance with paragraph (d) hereof. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and the Paying Agent and discharging its responsibilities with respect thereto under applicable law. In such event the Bonds will be transferable in accordance with paragraph (d) hereof.

(c) Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal or Redemption Price of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, to DTC as provided in the Representation Letter.

(d) If any transfer or exchange of Bonds is permitted under paragraph (a) or (b) hereof, such transfer or exchange shall be accomplished upon receipt by the Paying Agent from the Registered Owners thereof of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this Ordinance. If Bonds are issued to holders other than Cede & Co., its successor as nominee for DTC as holder of all the Bonds, or other securities depository as holder of all the Bonds, the provisions of this Ordinance shall also apply to all matters relating thereto, including, without limitation, the printing of such Bonds and the method of payment of the principal or Redemption Price of and interest on such Bonds. If Bonds are issued to holders other than DTC, the Paying

Agent may rely on information provided by DTC or any Participant as to the names, addresses of and principal amounts held by the Beneficial Owners of the Bonds.

ARTICLE III

REDEMPTION OF BONDS

Section 301. Redemption of Bonds.

(a) *Optional Redemption.* The optional redemption provisions, if any, shall be set forth in the Final Terms Certificate.

(b) *Mandatory Redemption.* Any Bonds subject to mandatory redemption and payment prior to their stated maturity (the "Term Bonds") designated in the Final Terms Certificate shall be subject to the following mandatory redemption requirements. At its option, to be exercised on or before the 45th day next preceding any mandatory Redemption Date, the City may: (1) deliver to the Paying Agent for cancellation Term Bonds subject to mandatory redemption on said mandatory Redemption Date, in any aggregate principal amount desired, (2) furnish the Paying Agent funds, together with appropriate instructions, for the purpose of purchasing any Term Bonds subject to mandatory redemption on said mandatory Redemption Date from any Registered Owner thereof whereupon the Paying Agent shall expend such funds for such purpose to such extent as may be practical, or (3) receive a credit with respect to the mandatory redemption obligation of the City under this Section for any Term Bonds subject to mandatory redemption on said mandatory Redemption Date which, prior to such date, have been redeemed (other than through the operation of the mandatory redemption requirements of this subsection (b)) and cancelled by the Paying Agent and not theretofore applied as a credit against any redemption obligation under this subsection (b). Each Term Bond so delivered or previously purchased or redeemed shall be credited at 100% of the principal amount thereof on the obligation of the City to redeem Term Bonds of the same Stated Maturity on such mandatory Redemption Date, and any excess of such amount shall be credited on future mandatory redemption obligations for Term Bonds of the same Stated Maturity in chronological order, and the principal amount of Term Bonds of the same Stated Maturity to be redeemed by operation of the requirements of this Section shall be accordingly reduced. If the City intends to exercise any option granted by the provisions of clauses (1), (2) or (3) above, the City will, on or before the 45th day next preceding each mandatory Redemption Date, furnish the Paying Agent a written certificate indicating to what extent the provisions of said clauses (1), (2) and (3) are to be complied with, with respect to such mandatory redemption payment.

Section 302. Selection of Bonds to be Redeemed.

(a) The Paying Agent shall call Bonds for redemption and payment and shall give notice of such redemption as herein provided upon receipt by the Paying Agent at least 45 days prior to the Redemption Date of the City's written instructions specifying the principal amount, Stated Maturities, Redemption Date and Redemption Prices of the Bonds to be called for redemption. The Paying Agent may in its discretion waive such notice period so long as the notice requirements set forth in **Section 303** hereof are met. The foregoing provisions of this paragraph shall not apply to the mandatory redemption of Bonds hereunder, and Term Bonds shall be called

by the Paying Agent for redemption pursuant to such mandatory redemption requirements without the necessity of any action by the City and whether or not the Paying Agent shall hold in the Debt Service Fund moneys available and sufficient to effect the required redemption.

(b) Bonds shall be redeemed only in the principal amount of \$5,000 or any integral multiple thereof. When less than all of the Outstanding Bonds are to be redeemed, such Bonds shall be redeemed in such order of their Stated Maturities as shall be determined by the City, and Bonds of less than a full Stated Maturity shall be selected by the Paying Agent in \$5,000 units of principal amount in such equitable manner as the Paying Agent may determine.

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

Section 303. Notice and Effect of Call for Redemption.

(a) Unless waived by any Registered Owner of Bonds to be redeemed, official notice of any redemption shall be given by the Paying Agent on the City's behalf by mailing a copy of an official redemption notice by first class mail at least 30 days but not more than 60 days prior to the Redemption Date to the State Auditor of Missouri and each Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register.

(b) All official notices of redemption shall be dated and shall contain the following information:

(i) the Redemption Date;

(ii) the Redemption Price;

(iii) if less than all Outstanding Bonds are to be redeemed, the identification number, Stated Maturity and, in the case of partial redemption of any Bonds, the respective principal amounts of the Bonds to be redeemed;

(iv) a statement that on the Redemption Date the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the Redemption Date; and

(v) the place where such Bonds are to be surrendered for payment of the Redemption Price.

(c) Prior to any Redemption Date, the City shall deposit with the Paying Agent an amount of money sufficient to pay the Redemption Price of all the Bonds or portions of Bonds that are to be redeemed on such Redemption Date.

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

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

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

(g) In addition to the foregoing notice, further notice shall be given by the Paying Agent on the City's behalf as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if official notice thereof is given as above prescribed.

(i) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (A) the CUSIP number, if any, of each Bond being redeemed; (B) the date of issue of the Bonds as originally issued; (C) the rate of interest borne by each Bond being redeemed; (D) the Stated Maturity of each Bond being redeemed; and (E) any other descriptive information needed to identify accurately the Bonds being redeemed.

(ii) Each further notice of redemption shall be filed on the Electronic Municipal Market Access system for municipal securities disclosures ("EMMA") established and maintained by the Municipal Securities Rulemaking Board (or any successor to EMMA established by the Municipal Securities Rulemaking Board), at least one day before the mailing of notice to Registered Owners. If EMMA ceases to exist, then each further notice of redemption shall be sent by first class, registered or certified mail or overnight delivery,

as determined by the Paying Agent, to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

(h) Each check or other transfer of funds issued for the payment of the Redemption Price of Bonds being redeemed shall bear or have enclosed therewith the CUSIP number of the Bonds being redeemed with the proceeds of such check or other transfer.

(i) The Paying Agent is also directed to comply with any mandatory standards then in effect for processing redemptions of municipal securities established by the SEC. Failure to comply with such standards shall not affect or invalidate the redemption of any Bond.

ARTICLE IV

SECURITY FOR AND PAYMENT OF BONDS

Section 401. Security for the Bonds. The Bonds are general obligations of the City payable as to principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the City's territorial limits. The full faith, credit and resources of the City are hereby irrevocably pledged for the prompt payment of the principal or Redemption Price of and interest on the Bonds as the same become due.

Section 402. Levy and Collection of Annual Tax.

(a) For the purpose of providing for the payment of the principal or Redemption Price of and interest on the Bonds as the same become due, there is hereby levied upon all of the taxable tangible property within the City a direct annual tax sufficient to produce the amounts necessary for the payment of such principal or Redemption Price and interest as the same become due and payable in each year.

(b) The taxes referred to above shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the City's other ad valorem taxes are levied and collected. The proceeds derived from said taxes shall be deposited in the Debt Service Fund, shall be kept separate and apart from all other funds of the City and shall be used solely for the payment of the principal or Redemption Price of and interest on the Bonds as and when the same become due, taking into account scheduled mandatory redemptions, if any, and the fees and expenses of the Paying Agent.

(c) If at any time said taxes are not collected in time to pay the principal or Redemption Price of and interest on the Bonds when due, the City's Finance Officer is hereby authorized and directed to pay said principal or Redemption Price and interest out of the City's general funds and to reimburse said general funds for money so expended when said taxes are collected.

ARTICLE V

ESTABLISHMENT OF FUNDS;

DEPOSIT AND APPLICATION OF MONEY

Section 501. Establishment of Funds. There have been or shall be established in the treasury of the City and shall be held and administered by the Finance Officer of the City the following separate funds:

- (a) Debt Service Fund.
- (b) Project Fund.
- (c) Rebate Fund.

Section 502. Deposit of Bond Proceeds. The net proceeds received from the sale of the Bonds shall be deposited or disbursed simultaneously with the delivery of the Bonds as described in the Final Terms Certificate.

Section 503. Application of Money in the Project Fund.

(a) Moneys in the Project Fund shall be used solely for the purpose of (1) paying the costs of the Project in accordance with the plans and specifications prepared therefor and approved by the Board of Aldermen, including any alterations in or amendments to said plans and specifications deemed advisable and approved by the Board of Aldermen and (2) paying the costs and expenses of issuing the Bonds.

(b) The Finance Director shall make withdrawals from the Project Fund solely for the above-stated purposes. Such withdrawals shall be made only upon a duly authorized certificate executed by the Finance Director that such payment is being made for a purpose within the scope of this 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. The Board of Aldermen hereby approves the disbursement of funds for payment of the costs and expenses incident to the issuance of the Bonds together with any other amounts hereafter approved by the Board of Aldermen.

(c) Upon completion of the purpose for which the Bonds have been issued, any surplus remaining in the Project Fund shall be transferred to and deposited in the Debt Service Fund.

Section 504. Application of Money in Debt Service Fund.

(a) 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 principal or Redemption Price of and interest on the Bonds as and when the same become due and the usual and customary fees and expenses of the Paying Agent. The Finance Officer is authorized and directed to withdraw from the Debt Service Fund sums sufficient to pay principal or Redemption Price of and interest on the Bonds and the fees and expenses of the Paying Agent as and when the same become due, and to forward such sums to the Paying Agent in a manner which ensures that the Paying Agent will receive

immediately available funds in such amounts on or before the Business Day when such principal or Redemption Price, interest and fees of the Paying Agent will become due. If, through the lapse of time or otherwise, the Registered Owners of Bonds are no longer entitled to enforce payment of the Bonds or the interest thereon, the Paying Agent shall return said funds to the City. All money deposited with the Paying Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in this Ordinance and shall be held in trust by the Paying Agent for the benefit of the Registered Owners of the Bonds entitled to payment from such money.

(b) Any moneys or investments remaining in the Debt Service Fund after the retirement of the Bonds and any other indebtedness of the City shall be transferred and paid into the City's general fund.

Section 505. Deposits and Investment of Money.

(a) Moneys in each of the funds created by and referred to in this Ordinance shall be deposited in a bank or banks or other legally permitted financial institutions located in the State of Missouri that are members of the Federal Deposit Insurance Corporation. All such deposits shall be continuously and adequately secured by the financial institutions holding such deposits as provided by the laws of the State of Missouri. All moneys held in the funds created by this Ordinance shall be kept separate and apart from all other funds of the City so that there shall be no commingling of such funds with any other funds of the City.

(b) Moneys held in any fund referred to in this Ordinance may be invested by the Finance Officer in accordance with the investment policy of the City, as such policy may be amended from time to time, in accordance with this Ordinance and the Federal Tax Certificate, in Permitted Investments; provided, however, that no such investment shall be made for a period extending longer than to the date when the moneys invested may be needed for the purpose for which such fund was created. All earnings on any investments held in any fund shall accrue to and become a part of such fund.

Section 506. Nonpresentment of Bonds. If 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 this Ordinance or on, or with respect to, said Bond. If any Bond is not presented for payment within one year following the date when such Bond becomes due at Maturity, the Paying Agent shall repay without liability for interest thereon, 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.

Section 507. Payments Due on Saturdays, Sundays and Holidays. In any case where a Bond Payment Date is not a Business Day, then payment of the principal or Redemption Price of and interest on the Bonds need not be made on such Bond Payment Date but may be made on

the next succeeding Business Day with the same force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such Bond Payment Date.

Section 508. Application of Money in the Rebate Fund.

(a) 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 at any time deposited in the Rebate Fund shall be held in trust, to the extent required to pay arbitrage rebate, and neither the City nor the Registered Owner of any Bonds 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.

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

(c) Notwithstanding any other provision of this Ordinance, including in particular **Article VII** hereof, the obligation to pay arbitrage rebate 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.

ARTICLE VI

REMEDIES

Section 601. Remedies. The provisions of this Ordinance, including the covenants and agreements herein 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 this 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.

Section 602. Limitation on Rights of Registered Owners. The covenants and agreements of the City contained herein and in the Bonds shall be for the equal benefit, protection and security of the legal owners of any or all of the Bonds. All of the Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the funds herein pledged to the payment of the principal of and the interest on the Bonds, or otherwise, except as to rate of interest, or date of Maturity or right of prior redemption as provided in this Ordinance. No one or more Registered Owners secured hereby shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for herein, or to enforce any right hereunder, except in the manner herein 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.

Section 603. Remedies Cumulative. No remedy conferred herein upon the Registered Owners 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 herein. 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 Registered Owner 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 this 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 Registered Owner 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 Registered Owner, then, and in every such case, the City and the Registered Owners of the Bonds shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Registered Owners shall continue as if no such suit, action or other proceedings had been brought or taken.

Section 604. Exception for Continuing Disclosure. This Article VI shall not apply to Section 805 hereof regarding the City's continuing disclosure obligations, and Registered Owners or Beneficial Owners (as defined in the Continuing Disclosure Undertaking) of the Bonds shall have no remedies for enforcement of said obligations other than the remedies provided for in Section 805 hereof and the City's Continuing Disclosure Undertaking.

ARTICLE VII

DEFEASANCE

Section 701. Defeasance.

(a) When any or all of the Bonds or scheduled interest payments thereon have been paid and discharged, then the requirements contained in this Ordinance and the pledge of the City's faith and credit hereunder and all other rights granted hereby shall terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Bonds or scheduled interest

payments thereon shall be deemed to have been paid and discharged within the meaning of this 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 scheduled interest payments thereon, in trust for and irrevocably appropriated thereto, money and/or Defeasance Obligations which, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal of and redemption premium, if any, on said Bonds and/or interest accrued to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of the tender of such payments; provided, however, that if any such Bonds are to be redeemed prior to their Stated Maturity, (1) the City has elected to redeem such Bonds and (2) either notice of such redemption has been given, or the City has given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Paying Agent to give such notice of redemption in compliance with **Section 302(a)** hereof.

(b) Any money and Defeasance Obligations that at any time shall be deposited by or on behalf of the City with the Paying Agent or other commercial bank or trust company for the purpose of paying and discharging any of the Bonds or the scheduled interest payments thereon shall be and are hereby assigned, transferred and set over to the Paying Agent or other commercial bank or trust company in trust for the respective Registered Owners of the Bonds, and such money shall be and is hereby irrevocably appropriated to the payment and discharge thereof. All money and Defeasance Obligations deposited with the Paying Agent or other commercial bank or trust company shall be deemed to be deposited in accordance with and subject to all of the provisions of this Ordinance.

(c) To accomplish a defeasance of the principal of the Bonds or scheduled interest payments thereon when the City will rely on interest to be earned on any Defeasance Obligations deposited more than 180 days prior to the full payment of the principal of the Bonds or scheduled interest payments thereon, the City shall cause to be delivered to the Paying Agent (1) a report of an independent firm of nationally recognized certified public accountants or such other firm as may be acceptable to Bond Counsel verifying the sufficiency of the escrow established to pay the principal of the Bonds or scheduled interest payments thereon in full at the Stated Maturity or Redemption Date thereof, (2) an escrow deposit agreement or escrow instruction letter between the City and an escrow agent and (3) an opinion of Bond Counsel to the effect that the principal of the Bonds or scheduled interest payments thereon are no longer “Outstanding” under this Ordinance. Bonds shall be deemed “Outstanding” under this Ordinance unless and until they are in fact paid and retired or the criteria of this Section are met.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 801. Tax Covenant. The City covenants and agrees to comply with all provisions and requirements of the Federal Tax Certificate, which is hereby approved, with such changes therein as shall be approved by the Mayor and the Bond Compliance Officer (as defined therein), which officers are hereby authorized to execute the Federal Tax Certificate for and on behalf of the City, such officer’s signature thereon being conclusive evidence of his or her approval thereof.

Section 802. Annual Audit.

(a) Annually, promptly after the end of the Fiscal Year, the City will cause an audit to be made of its funds and accounts for the preceding Fiscal Year by an independent certified public accountant or firm of independent certified public accountants.

(b) Within 30 days after the completion of each such audit, a copy thereof shall be filed in the office of the City Clerk. Such audits shall at all times during the usual business hours be open to the examination and inspection by any taxpayer, any Registered Owner of any of the Bonds, or by anyone acting for or on behalf of such taxpayer or Registered Owner.

(c) 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 this Ordinance, the City shall promptly cure such deficiency.

Section 803. Amendments.

(a) Notwithstanding the City's obligations under the Continuing Disclosure Undertaking, which may be modified as provided therein, the rights and duties of the City and the Registered Owners, and the terms and provisions of the Bonds or of this 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:

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

(ii) alter the optional redemption provisions of any Bond;

(iii) effect a reduction in the amount which the City is required to pay as principal of or interest on any Bond;

(iv) permit preference or priority of any Bond over any other Bond; or

(v) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of this Ordinance.

(b) Any provision of the Bonds or of this Ordinance may, however, be amended or modified by ordinance duly adopted by the Board of Aldermen at any time in any legal respect with the written consent of the Registered Owners of all of the Bonds at the time Outstanding.

(c) Without notice to or the consent of any Registered Owners, the City may amend or supplement this 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 Registered Owners.

(d) Every amendment or modification of the provisions of the Bonds or of this Ordinance, to which the written consent of the Registered Owners is given, as above provided, shall be expressed in an ordinance adopted by the Board of Aldermen amending or supplementing the provisions of this Ordinance and shall be deemed to be a part of this Ordinance. A certified copy of every such amendatory or supplemental ordinance, if any, and a certified copy of this Ordinance shall always be kept on file in the office of the City Clerk, shall be made available for inspection by the Registered Owner of any Bond or a prospective purchaser or owner of any Bond authorized by this Ordinance, and upon payment of the reasonable cost of preparing the same, a certified copy of any such amendatory or supplemental ordinance or of this Ordinance will be sent by the City Clerk to any such Registered Owner or prospective Registered Owner.

(e) Any and all modifications made in the manner hereinabove provided shall not become effective until there has been filed with the City Clerk a copy of the ordinance of the City hereinabove provided for, duly certified, as well as proof of any required consent to such modification by the Registered Owners of the Bonds then Outstanding. It shall not be necessary to note on any of the Outstanding Bonds any reference to such amendment or modification.

(f) The City shall furnish to the Paying Agent a copy of any amendment to the Bonds or this Ordinance which affects the duties or obligations of the Paying Agent under this Ordinance.

Section 804. Notices, Consents and Other Instruments by Registered Owners.

(a) Any notice, consent, request, direction, approval or other instrument to be signed and executed by the Registered Owners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Registered Owners in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Bonds (other than the assignment of the ownership of a Bond as provided for in the form of Bond set forth in **Exhibit A** attached hereto), if made in the following manner, shall be sufficient for any of the purposes of this Ordinance, and shall be conclusive in favor of the City and the Paying Agent with regard to any action taken, suffered or omitted under any such instrument, namely:

(i) The fact and date of the execution by any Person of any such instrument may be proved by a certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the Person signing such instrument acknowledged before such officer the execution thereof, or by affidavit of any witness to such execution.

(ii) The fact of ownership of Bonds, the amount or amounts, numbers and other identification of Bonds, and the date of holding the same shall be proved by the Bond Register.

(b) In determining whether the Registered Owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Ordinance, Bonds owned by the City shall be disregarded and deemed not to be Outstanding under this Ordinance, except that, in determining whether the Registered Owners shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Registered Owners know to be so owned shall be so disregarded.

Notwithstanding the foregoing, Bonds so owned which have been pledged in good faith shall not be disregarded as aforesaid if the pledgee establishes to the satisfaction of the Registered Owners the pledgee's right so to act with respect to such Bonds and that the pledgee is not the City.

Section 805. Continuing Disclosure. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Undertaking as originally executed and as it may be amended from time to time in accordance with the terms thereof. The Mayor is hereby authorized to execute the Continuing Disclosure Undertaking, in substantially the form attached hereto as **Exhibit C**, to make the Bonds subject to the Continuing Disclosure Undertaking. Upon the City's failure to comply with the Continuing Disclosure Undertaking, any Registered Owner may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with its obligations under this Section.

Section 806. Electronic Transactions. The transaction 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 executed 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 807. Further Authority. The officers of the City, including the Mayor, Finance Officer, and the City Clerk, are hereby authorized and directed to execute all documents and take such actions as they may deem necessary or advisable to carry out and perform the purposes of this Ordinance and to make ministerial alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability. The City Clerk is authorized and directed to attest the execution of any documents, certificates and instruments that are necessary or desirable to carry out the intent of this Ordinance.

Section 808. Parties Interested Herein. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the City, the Paying Agent and the Registered Owners, any right, remedy or claim under or by reason of this Ordinance or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Ordinance contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Paying Agent and the Registered Owners.

Section 809. Severability. If any section or other part of this Ordinance, whether large or small, is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of this Ordinance.

Section 810. Governing Law. This Ordinance shall be governed exclusively by and construed in accordance with the applicable laws of the State of Missouri.

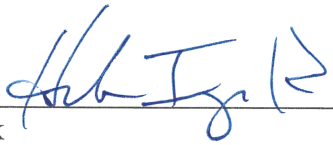
Section 811. Effective Date. This Ordinance shall be in full force and effect from and after its passage by the Board of Aldermen and approval of the Mayor.

PASSED AND SIGNED 27th day of August, 2024.




Mayor

ATTEST:



City Clerk

APPROVED this 27th day of August, 2024.



Mayor

NEW ISSUE
BOOK-ENTRY ONLY

S&P RATING: AAA
See "BOND RATING" herein.

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

\$33,340,000*
CITY OF CRESTWOOD, MISSOURI
GENERAL OBLIGATION BONDS
SERIES 2024



Dated: Date of Issuance

Due: March 1, as shown on the inside cover

The General Obligation Bonds, Series 2024 (the "Bonds"), will be issued by the City of Crestwood, Missouri (the "City"), for the purpose of providing funds to (a) pay the costs of (1) constructing, furnishing and equipping a new community center, (2) renovating existing recreation facilities, and (3) undertaking other park and recreation improvements in and adjacent to City parks, and (b) pay the costs of issuance related to the Bonds, as further described herein under the caption "PLAN OF FINANCING."

Principal of the Bonds is payable annually as set forth on the inside cover of this Official Statement, commencing on March 1, 2025. Interest on the Bonds is payable semiannually on each March 1 and September 1, commencing on March 1, 2025, by check, draft or electronic transfer (subject to the conditions described herein) to the persons who are the registered owners of the Bonds as of the close of business on the fifteenth day of the month preceding the applicable interest payment date.

The Bonds are subject to redemption prior to maturity as described herein. See the caption "THE BONDS – Redemption Provisions" herein.

THE BONDS AND INTEREST THEREON WILL CONSTITUTE GENERAL OBLIGATIONS OF THE CITY, PAYABLE FROM AD VALOREM TAXES THAT MAY BE LEVIED WITHOUT LIMITATION AS TO RATE OR AMOUNT UPON ALL OF THE TAXABLE TANGIBLE PROPERTY, REAL AND PERSONAL, WITHIN THE TERRITORIAL LIMITS OF THE CITY. See the caption "SECURITY FOR THE BONDS."

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

The Bonds are offered when, as and if issued by the City and accepted by the Underwriter, subject to the approval of validity by Gilmore & Bell, P.C., St. Louis, Missouri, Bond Counsel to the City, and subject to certain other conditions. Bond Counsel will also pass on certain matters relating to this Official Statement. Piper Sandler & Co. is serving as financial advisor to the City in connection with the issuance of the Bonds. It is expected that the Bonds will be available for delivery through the facilities of The Depository Trust Company in New York, New York, on or about September 19, 2024.

The date of this Official Statement is September __, 2024.

* Preliminary; subject to change.

\$33,340,000*
CITY OF CRESTWOOD, MISSOURI
GENERAL OBLIGATION BONDS
SERIES 2024

MATURITY SCHEDULE

Base CUSIP:

SERIAL BONDS

<u>Maturity (March 1)</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Price</u>	<u>CUSIP Extension</u>
2025	\$ 400,000	%	%	
2026	755,000			
2027	815,000			
2028	930,000			
2029	1,000,000			
2030	1,125,000			
2031	1,205,000			
2032	1,335,000			
2033	1,415,000			
2034	1,550,000			
2035	1,645,000			
2036	1,790,000			
2037	1,890,000			
2038	2,050,000			
2039	2,165,000			
2040	2,340,000			
2041	2,465,000			
2042	2,660,000			
2043	2,800,000			
2044	3,005,000			

* Preliminary; subject to change.

CITY OF CRESTWOOD, MISSOURI

1 Detjen Drive
Crestwood, MO 63126
(314) 729-4700

ELECTED OFFICIALS

Scott Shipley, *Mayor*
Jesse Morrison, Ward 1
Jim Zavist, Ward 1
Michael Balles, Ward 2
Rebecca Now, Ward 2
Greg Hall, Ward 3
Grant Mabie, Ward 3
Tony Kennedy, Ward 4
John Sebben, Ward 4

ADMINISTRATIVE OFFICIALS

Kris Simpson, *City Administrator*
Sara Fleming, *Finance Officer*
Helen Ingold, *City Clerk*

CITY'S COUNSEL

Lashly & Baer, P.C.
St. Louis, Missouri

BOND AND DISCLOSURE COUNSEL

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

FINANCIAL ADVISOR

Piper Sandler & Co.
Leawood, Kansas

PAYING AGENT

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

REGARDING USE OF THIS OFFICIAL STATEMENT

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY STATE SECURITIES OR "BLUE SKY" LAWS. THE BONDS ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION.

The information set forth herein has been obtained from the City and other sources that are deemed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the City. The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information

No dealer, broker, salesperson or any other person has been authorized by the City or the Underwriter to give any information or make any representations, other than those contained in this Official Statement, in connection with the offering of the Bonds, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any state in which it is unlawful for such person to make such offer, solicitation or sale. The information herein is subject to change without notice, and neither the delivery of this Official Statement nor the sale of any of the Bonds hereunder shall under any circumstances create any implication that there has been no change in the affairs of the City or the other matters described herein since the date hereof.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

This Preliminary Official Statement is in a form deemed final by the City for purposes of Rule 15c2-12 issued under the Securities Exchange Act of 1934, as amended, except for certain information permitted to be omitted pursuant to Rule 15c2-12(B)(1).

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OFFICIAL STATEMENT
CITY OF CRESTWOOD, MISSOURI

\$33,340,000*
GENERAL OBLIGATION BONDS
SERIES 2024

INTRODUCTION

The following introductory information is subject in all respects to more complete information contained elsewhere in this Official Statement. The order and placement of materials in this Official Statement, including the appendices hereto, are not to be deemed to be a determination of relevance, materiality or relative importance, and this Official Statement, including the cover page and appendices, should be considered in its entirety. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

General

This Official Statement, including the cover page and appendices hereto, is furnished to prospective purchasers in connection with the offering and sale of \$33,340,000* aggregate principal amount of General Obligation Bonds, Series 2024 (the “**Bonds**”), by the City of Crestwood, Missouri (the “**City**”). The issuance and sale of the Bonds is expected to be authorized by an ordinance of the Board of Aldermen of the City to be adopted on August 27, 2024 (the “**Ordinance**”). *All capitalized terms used herein and not otherwise defined herein have the meanings assigned to those terms in the Ordinance.*

Authorization and Purpose of the Bonds

On April 2, 2024, the voters of the City approved the issuance of general obligation bonds in the amount of not to exceed \$33,340,000. The Bonds are being issued for the purpose of providing funds to pay the costs (1) constructing, furnishing and equipping a new community center, (2) renovating existing recreation facilities, and (3) undertaking other park and recreation improvements in and adjacent to City parks (collectively, the “**Project**”). See the section herein captioned “**PLAN OF FINANCING.**”

Security for the Bonds

The Bonds will constitute general obligations of the City and will be payable as to both principal and interest from ad valorem taxes, which may be levied without limitation as to rate or amount upon all taxable tangible property, real and personal, within the territorial limits of the City. See the section herein captioned “**SECURITY FOR THE BONDS.**”

Continuing Disclosure

The City has covenanted in a Continuing Disclosure Undertaking dated as of September 1, 2024, (the “**Continuing Disclosure Undertaking**”) to provide certain financial information and operating data relating to the City and to provide notices of the occurrence of certain enumerated events relating to the Bonds. The Continuing Disclosure Undertaking was entered into by the City to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission (the “**Rule**”). See the section herein captioned “**CONTINUING DISCLOSURE UNDERTAKING**” and the proposed form of the Continuing Disclosure Undertaking, which is included as *Appendix C*.

* Preliminary; subject to change.

THE BONDS

General

The Bonds are being issued in the aggregate principal amount of \$33,340,000*. The Bonds are dated as of the date of original issuance and delivery thereof. Principal is payable on March 1 in the years and in the principal amounts set forth on the inside cover page hereof, subject to redemption and payment prior to maturity, upon the terms and conditions described under the section herein captioned “**THE BONDS – Redemption Provisions.**” Interest on the Bonds is calculated at the rates per annum set forth on the inside cover page, computed on the basis of a 360-day year of twelve 30-day months. The Bonds shall consist of fully-registered bonds in denominations of \$5,000 or any integral multiple thereof. Interest on the Bonds is payable from the date thereof or the most recent date to which interest has been paid and is payable semiannually on March 1 and September 1 in each year, beginning March 1, 2025.

The principal or Redemption Price (as defined herein) of the Bonds will be paid at maturity or upon earlier redemption to the person in whose name such Bond is registered on the registration books (the “**Bond Register**”) at the maturity or Redemption Date (as defined herein) thereof, upon presentation and surrender of such Bond at the principal payment office of UMB Bank, N.A., St. Louis, Missouri (the “**Paying Agent**”), or such other office designated by the Paying Agent. Payment of the interest on the Bonds will be made to the person in whose name such Bond is registered on the Bond Register at the close of business on the fifteenth day (whether or not a Business Day) of the calendar month preceding the interest payment date (the “**Record Date**”). The principal or Redemption Price of and interest on the Bonds will be made by check or draft mailed by the Paying Agent to the address of each Registered Owner shown on the Bond Register or such other address as is furnished to the Paying Agent in writing by such Registered Owner, or by electronic transfer to such Registered Owner upon written notice signed by such Registered Owner and given to the Paying Agent not less than 15 days prior to the Record Date for such payment, containing the electronic transfer instructions including the name and address of the bank, the bank’s ABA routing number and account number to which such Registered Owner wishes to have such transfer directed and an acknowledgment that an electronic transfer fee may be applicable.

Redemption Provisions

Optional Redemption. At the option of the City, the Bonds or portions thereof maturing on March 1, 2032 and thereafter may be subject to redemption and payment prior to maturity on March 1, 2031 and thereafter in whole or in part at any time in such order of maturity determined by the City (Bonds of less than a single maturity to be selected in multiples of \$5,000 principal amount), at the redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the redemption date.

Selection of Bonds to Be Redeemed. Bonds shall be redeemed only in the principal amount of \$5,000 or any integral multiple thereof. When less than all of the Outstanding Bonds are to be redeemed, such Bonds shall be redeemed in such order of their Stated Maturities as determined by the City, and 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.

In the case of a partial redemption of Bonds, when Bonds of denominations greater than \$5,000 are then-Outstanding, then for all purposes in connection with such redemption each \$5,000 of face value shall be treated as though it were a separate Bond of the denomination of \$5,000. If it is determined that one or more, but not all, of the \$5,000 units of face value represented by any Bond are selected for redemption, then upon notice of intention to redeem such \$5,000 unit or units, the Registered Owner of such Bond or the Registered Owner’s duly authorized agent shall present and surrender such Bond to the Paying Agent (1) for payment of the price at which such Bond is to be redeemed (the “**Redemption Price**”) and interest to the date fixed for

* Preliminary; subject to change.

redemption (the “**Redemption Date**”) of such \$5,000 unit or units of face value called for redemption and (2) for exchange, without charge to the Registered Owner thereof, for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond. If the Registered Owner of any such Bond shall fail to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the Redemption Date to the extent of the \$5,000 unit or units of face value called for redemption (and to that extent only).

Notice of Redemption. Unless waived by any Registered Owner of Bonds to be redeemed, official notice of any redemption shall be given by the Paying Agent on the City’s behalf, by mailing a copy of an official redemption notice by first-class mail at least 30 days and not more than 60 days prior to the Redemption Date to the State Auditor of Missouri and each Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register.

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

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

Effect of Call for Redemption. After an amount of money sufficient to pay the Redemption Price has been deposited with the Paying Agent and official notice of redemption has been given as aforesaid, (1) the Bonds or portions of Bonds to be redeemed shall become due and payable on the Redemption Date, at the Redemption Price specified in the notice, and (2) from and after the Redemption Date (unless the City defaults in the payment of the Redemption Price) such Bonds or portions of Bonds shall cease to bear interest.

All Bonds that have been surrendered for redemption shall be canceled and destroyed by the Paying Agent pursuant to the Ordinance and shall not be reissued.

Book-Entry Only System

General. The Bonds are available in book-entry only form. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds. Ownership interests in the Bonds will be available to purchasers only through a book-entry system (the “**Book-Entry System**”) maintained by The Depository Trust Company (“**DTC**”), New York, New York.

The following information concerning DTC and DTC’s Book-Entry System has been obtained from DTC. The City takes no responsibility for the accuracy or completeness thereof and neither the Indirect Participants (as defined herein) nor the Beneficial Owners should rely on the following information with respect to such matters, but should instead confirm the same with DTC or the Direct Participants (as defined herein), as the case may be. There can be no assurance that DTC will abide by its procedures or that such procedures will not be changed from time to time.

DTC and its Participants. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“**Direct Participants**”) deposit with DTC. DTC

also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Ownership Interests. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchases. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which they entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the Book-Entry System for the Bonds is discontinued.

Transfers. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Notices. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

Voting. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Money Market Instrument Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of Principal, Redemption Price and Interest. Payment of the principal or Redemption Price of and interest on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participants and not of DTC, the Paying Agent or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of the principal or Redemption Price of and interest on the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

Discontinuation of Book-Entry System. DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, if a successor depository is not obtained, Bond certificates are required to be printed and delivered.

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

Registration, Transfer and Exchange of Bonds

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

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

SECURITY FOR THE BONDS

Pledge of Full Faith and Credit

The Bonds will constitute general obligations of the City and will be payable as to both principal and interest from ad valorem taxes, which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the City. The full faith, credit and resources of the City are irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

Levy and Collection of Annual Tax

Under the Ordinance, the City has authorized the imposition upon all of the taxable tangible property within the City of a direct annual tax sufficient to produce the amounts necessary for the payment of the principal of and interest on the Bonds as the same becomes due and payable in each year. Such taxes shall be extended upon the tax rolls in each year, and shall be levied and collected at the same time and in the same manner as the other ad valorem taxes of the City are levied and collected. The proceeds derived from said taxes shall be deposited in the Debt Service Fund, shall be kept separate and apart from all other funds of the City and shall be used solely for the payment of the principal of and interest on the Bonds, as and when the same becomes due, and the fees and expenses of the Paying Agent.

RISK FACTORS

The following is a discussion of certain risks that could affect the payments to be made by the City with respect to the Bonds. To identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement (including its appendices). Prospective purchasers of the Bonds should consider carefully all possible factors that may result in a default in the payment of the Bonds, the redemption of the Bonds prior to maturity, a determination that the interest on the Bonds might be deemed taxable for purposes of federal and Missouri income taxation, or that may affect the market price or liquidity of the Bonds. **This discussion of risk factors is not, and is not intended to be, comprehensive or exhaustive.**

Ad Valorem Property Taxes

Under the Ordinance, the City has authorized the levy of a direct annual tax on all taxable tangible property within the City sufficient to produce amounts necessary for the payment of the principal of and interest on the Bonds each year. Declining property values in the City, whether caused by national or global financial crises, natural disasters, local economic downturns, or other reasons, may require higher levy rates, which may increase the burden on local taxpayers and affect certain taxpayers' willingness or ability to continue timely paying property taxes. See "**PROPERTY TAX INFORMATION – Property Valuations**" in *Appendix A* of this Official Statement. In addition, the issuance of additional general obligation bonds by the City or other indebtedness by other political subdivisions within the boundaries of the City would increase the tax burden on taxpayers within the boundaries of the City. See "**DEBT STRUCTURE OF THE CITY – General Obligation Indebtedness**" and "**– Overlapping General Obligation Indebtedness**" in *Appendix A* of this Official Statement. Missouri law limits the amount of general obligation debt issuable by the City to 20% of the assessed valuation of taxable tangible property within the boundaries of the City. Other political subdivisions within the boundaries of the City are subject to similar limitations on general obligation debt imposed by Missouri law, including school districts, counties and certain other political subdivisions, which are limited to general obligation debt of 15%, 10% and 5% of assessed valuation of taxable tangible property, respectively. However, the authorization of any general obligation bond issue requires a supermajority vote of the voters voting on the proposition.

Concentration of property ownership within the boundaries of the City would expose the City's ability to collect ad valorem property taxes to the financial strength, ability and willingness of major taxpayers to pay property taxes. See **"TAX INFORMATION CONCERNING THE CITY – Property Valuations"** and **"–Major Property Taxpayers"** in *Appendix A* of this Official Statement.

Senior Property Tax Credit Program

In 2023, the Missouri General Assembly passed Senate Bill 190, which authorizes counties to grant property tax credits to residential property owners eligible to receive social security benefits equal to the difference between the real property tax liability on the homestead in the current year minus the real property tax liability on such homestead in the year in which the taxpayer became eligible to receive the tax credit (the **"Senior Property Tax Credit Program"**). Implementation of the Senior Property Tax Credit Program requires either adoption of an ordinance by the county or an initiative petition and voter approval process. Property tax bills within counties that participate in the Senior Property Tax Credit Program will reflect the tax credit on property tax bills for eligible taxpayers, thereby reducing the amount of property taxes that the eligible taxpayer would otherwise pay. In October 2023, the St. Louis County Council passed a bill implementing the Senior Property Tax Credit Program in St. Louis County, which became law on November 1, 2023, and it is expected to be effective for the 2024 property tax cycle.

The potential financial impact of the Senior Property Tax Credit Program on the City is not yet ascertainable. If the City's property tax revenues are reduced in a given year as a result of the Senior Property Tax Credit Program, there will be less property tax revenues available to pay principal of and interest on the Bonds. In addition, the City is permitted to retain in its debt service fund up to one year's debt service payments and can increase the debt service levy for future years to address the potential decrease from implementation of the Senior Property Tax Credit Program and to ensure continued payment of the principal of and interest on the Bonds.

Potential Impact of Public Health Emergencies

Regional, national or global public health emergencies, such as the outbreak of the novel coronavirus in December 2019 (**"COVID-19"** or the **"Pandemic"**), could have materially adverse regional, national or global economic and social impacts causing, among other things, the promulgation of local or state orders limiting certain activities, extreme fluctuations in financial markets and contraction in available liquidity, prohibitions of gatherings and public meetings in such places as entertainment venues extensive job losses and declines in business activity across important sectors of the economy, impacts on supply chain and availability of resources, declines in business and consumer confidence that negatively impact economic conditions or cause an economic recession. The City cannot predict the extent to which its operations or financial condition may decline nor the amount of increased costs, if any, that may be incurred by the City associated with operating during any public health emergencies including, but not limited to, the amount of (1) increases in required services of the City, (2) costs to clean, sanitize and maintain its facilities, (3) costs to hire additional and/or substitute employees, (4) costs to acquire supporting goods and services, or (5) costs to operate remotely and support the employees of the City. Accordingly, the City cannot predict the effect any public health emergencies will have on the finances or operations of the City or whether any such effects will have a material adverse effect on the ability to support payment of debt service on the Bonds. The City receives the majority of its revenue from property taxes, and the City did not experience a decrease in revenues due to COVID-19. Historical revenues and expenditures for the City's General Fund for the fiscal years ended December 31, 2020 through 2023 are set forth under the caption **"FINANCIAL INFORMATION CONCERNING THE CITY – The General Fund"** in *Appendix A* of this Official Statement.

Secondary Market Prices and Liquidity

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

Prices of municipal securities in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and changes in the operating performance or tax collection patterns of issuers. Particularly, prices of outstanding municipal securities should be expected to decline if prevailing market interest rates rise. Municipal securities are generally viewed as long-term investments, subject to material unforeseen changes in the investor's or the issuer's circumstances and may require commitment of the investor's funds for an indefinite period of time, perhaps until maturity.

Ratings

S&P Global Ratings, a division of S&P Global, Inc. (the "**Rating Agency**"), has assigned the Bonds the rating set forth under "**BOND RATING**" in this Official Statement. The rating reflects only the views of the Rating Agency, and an explanation of the significance of such rating may be obtained therefrom. There is no assurance that the rating will remain in effect for any given period of time or that it will not be revised, either downward or upward, or withdrawn entirely, by the Rating Agency if, in its judgment, circumstances warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

Bankruptcy

In addition to the limitations on remedies contained in the Ordinance, the rights and remedies provided by the Bonds may be limited by and are subject to (1) bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws affecting creditors' rights, (2) the application of equitable principles, and (3) the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against political subdivisions in the State of Missouri. Section 108.180 of the Revised Statutes of Missouri requires that any interest and sinking fund moneys only be used to pay principal of and interest on the Bonds. The City, like all other Missouri political subdivisions, is specifically authorized by Missouri law to institute proceedings under Chapter 9 of the Federal Bankruptcy Code. Such proceedings, if commenced, are likely to have an adverse effect on the market price of the Bonds.

Amendment of the Ordinance

Certain amendments, effected by ordinance of the City, to the Bonds and the Ordinance may be made with the written consent of the Registered Owners of not less than a majority in principal amount of the Bonds then-Outstanding. Such amendments may adversely affect the security of the owners of the Bonds; provided that, no amendments may (1) extend the maturity of any payment of principal or interest due upon any Bond, (2) alter the optional redemption provisions of any Bond, (3) effect a reduction in the amount which the City is required to pay as principal of or interest on any Bond, (4) permit preference or priority of any Bond over any other Bond, or (5) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of the Ordinance without the written consent of the Registered Owners of all of the Bonds at the time Outstanding. The City may also amend or supplement the Ordinance, without notice to or the consent of any Registered Owners, for the purpose of curing any formal defect, omission, inconsistency or ambiguity therein or in connection with any other change therein that is not materially adverse to the security of the Registered Owners.

Loss of Premium from Redemption

Any person who purchases the Bonds at a price in excess of their principal amount or who holds such Bonds trading at a price in excess of par should consider the fact that the Bonds are subject to redemption prior to maturity at the redemption prices described herein in the event such Bonds are redeemed prior to maturity. See “**THE BONDS – Redemption Provisions**” in this Official Statement.

Tax-Exempt Status and Risk of Audit

The failure of the City to comply with certain covenants set forth in the Ordinance could cause the interest on the Bonds to become included in gross income for federal and Missouri income tax purposes retroactive to the date of issuance of the Bonds. The Ordinance does not provide for the payment of any additional interest, redemption premium or penalty if the interest on the Bonds becomes included in gross income for federal and Missouri income tax purposes. See “**TAX MATTERS**” in this Official Statement.

The Internal Revenue Service (the “**IRS**”) 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. Owners of the Bonds are advised that, if an audit of the Bonds were commenced, the IRS, in accordance with its current published procedures, is likely to treat the City as the taxpayer, and the owners of the Bonds may not have a right to participate in such audit. Public awareness of any audit could adversely affect the market value and liquidity of the Bonds during the pendency of the audit, regardless of the ultimate outcome of the audit.

Defeasance Risks

When any or all of the Bonds or scheduled interest payments thereon are deemed paid and discharged as provided in the Ordinance, the requirements contained in the Ordinance and the pledge of the City’s faith and credit thereunder and all other rights granted thereby will terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Bonds or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of the Ordinance if there has been deposited with the Paying Agent, or other commercial bank or trust company, moneys and/or Defeasance Obligations that, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal of and redemption premium, if any, on the Bonds and/or interest accrued to the Stated Maturity or prior Redemption Date. There is no legal requirement in the Ordinance that Defeasance Obligations be rated in the highest rating category by any rating agency. Prices of municipal securities in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets, and that could include the rating of Bonds defeased with Defeasance Obligations to the extent the Defeasance Obligations have a change or downgrade in rating.

Future Economic, Demographic and Market Conditions

Adverse economic conditions or changes in demographics within the boundaries of the City, including increased unemployment and inability to control expenses in periods of inflation, could adversely impact payment of taxes by taxpayers within the boundaries of the City and, therefore, the City’s financial condition.

Cybersecurity Risks

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

otherwise protected information is improperly accessed, tampered with or distributed, the City may incur significant costs to remediate possible injury to the affected persons, and the City may be subject to sanctions and civil penalties if it is found to be in violation of federal or state laws or regulations. Any failure to maintain proper functionality and security of information systems could interrupt the City's operations, delay receipt of revenues, damage its reputation, subject it to liability claims or regulatory penalties and could have a material adverse effect on its operations, financial condition and results of operations. The City has not been the victim of any cybersecurity breaches or attacks. The City does have an insurance policy to help mitigate the costs of a cybersecurity event.

PLAN OF FINANCING

Authorization of Bonds

The Bonds are authorized pursuant to and in full compliance with the Constitution and statutes of the State of Missouri, including particularly Article VI, Section 26 of the Missouri Constitution and Section 95.115 *et seq.*, of the Revised Statutes of Missouri. On April 2, 2024, the voters of the City approved, by a vote of 2,183 for and 1,467 against, the issuance of general obligation bonds in the amount of not to exceed \$33,340,000 to finance the costs of the Project. The Bonds are being issued pursuant to the Ordinance.

The Project

Bond proceeds are expected to be used as follows:

- Construction of new community center in Whitecliff Park and conversion of existing community center (estimated cost: \$30,441,780);
- Construction of a pedestrian bridge to connect Whitecliff Park to an adjacent neighborhood (estimated cost: \$1,300,000);
- Construction of walking trail loop to Whitecliff Park (estimated cost: \$600,000);
- Replacement of Crestwood Park playground (estimated cost: \$448,000);
- Construction of a nature play area in Whitecliff Park (estimated cost: \$220,000); and
- Contingencies and other park improvements (estimated cost: \$198,827).

The City has engaged Bond Architects Inc. to design the Project. Construction is expected to begin in 2025 and be completed in 2027.

Sources and Uses of Funds

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

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Sources of Funds:

Par Amount of the Bonds	\$33,340,000*
Net Original Issue Premium	
Total	\$_____

Uses of Funds:

Project Costs	\$_____
Costs of Issuance (including Underwriter's Discount)	
Total	\$_____

LEGAL MATTERS

Legal matters with respect to the authorization, execution and delivery of the Bonds are subject to the approval of Gilmore & Bell, P.C., St. Louis, Missouri, Bond Counsel to the City, whose approving opinion will be available at the time of delivery of the Bonds. Gilmore & Bell, P.C. will also pass upon certain legal matters relating to this Official Statement.

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

TAX MATTERS

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

Opinion of Bond Counsel

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

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

* Preliminary; subject to change.

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

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

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

Other Tax Consequences

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

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

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

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

Collateral Federal Income Tax Consequences. Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, certain applicable corporations subject to the corporate alternative minimum tax, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Bonds, including the possible application of state, local, foreign and other tax laws.

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

CONTINUING DISCLOSURE UNDERTAKING

The Undertaking

The City will enter into the Continuing Disclosure Undertaking to assist the Underwriter in complying with the Rule. The proposed form of the Continuing Disclosure Undertaking is included in this Official Statement as *Appendix C*. The City is the only "obligated person" with responsibility for continuing disclosure.

Prior Compliance

In the last five years, the City has not had any obligations subject to continuing disclosure undertakings under Rule 15c2-12.

Ongoing Compliance

The City's Finance Officer has been designated as the City's bond compliance officer and oversees the City's continuing disclosure obligations. The City intends to contract with Gilmore & Bell, P.C. to assist the City's bond compliance officer with preparation of annual reports and filing on EMMA.

BOND RATING

The Rating Agency has assigned the Bonds a rating of "AAA" based on the Rating Agency's evaluation of the creditworthiness of the City. Such rating reflects only the view of the Rating Agency at the time the rating is given, and the City, the Underwriter and the Financial Advisor make no representation as to the appropriateness of such rating. An explanation of the significance of the rating may be obtained only from Moody's. The City furnished the Rating Agency with certain information and materials relating to the Bonds and the City that has not been included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions by the rating

agencies. There is no assurance that a particular rating will remain in effect for any given period of time or that it will not be revised downward or withdrawn entirely if, in the judgment of the rating agency, circumstances warrant. Any downward revision or withdrawal of the rating may have an adverse effect on the market price and marketability of the Bonds.

ABSENCE OF LITIGATION

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

UNDERWRITING

Based upon bids received by the City on September __, 2024 the Bonds were awarded to _____ (the "**Underwriter**"). The Underwriter has agreed, subject to certain conditions, to purchase the Bonds at a price equal to \$_____ (representing the aggregate principal amount of the Bonds, plus original issue premium of \$_____, less an underwriting discount of _____). The Underwriter is purchasing the Bonds from the City for resale in the normal course of the Underwriter's business activities. The Underwriter reserves the right to offer any of the Bonds to one or more purchasers on such terms and conditions and at such price or prices as the Underwriter, in its discretion, shall determine. The Underwriter reserves the right to join with dealers and other purchasers in offering the Bonds to the public. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) at prices lower than the public offering prices.

FINANCIAL ADVISOR

Piper Sandler & Co., Leawood, Kansas (the "**Financial Advisor**"), has been employed by the City as financial advisor to provide certain professional services in connection with the Bonds. The Financial Advisor has not undertaken an independent investigation into the accuracy of the information presented in this Official Statement.

CERTAIN RELATIONSHIPS

Gilmore & Bell, P.C., Bond Counsel to the City, has represented the Paying Agent and the Financial Advisor in transactions unrelated to the issuance of the Bonds but is not representing either of them in connection with the issuance of the Bonds.

MISCELLANEOUS

Information set forth in this Official Statement has been furnished or reviewed by certain officials of the City and other sources which are believed to be reliable. Any statements made in this Official Statement involving matters of opinion, estimates or projections, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or projections will be realized.

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

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

The City has duly authorized the delivery of this Official Statement.

CITY OF CRESTWOOD, MISSOURI

By: _____
Mayor

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APPENDIX A

INFORMATION REGARDING THE CITY

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The information contained in this appendix relates to and has been obtained from the City of Crestwood, Missouri (the “City”) and the sources cited herein. The delivery of this Official Statement does not create any implication that there has been no change in the affairs of the City since the date hereof or that the information contained or incorporated by reference in this appendix is correct as of any time subsequent to its date.

GENERAL INFORMATION CONCERNING THE CITY

General

The City is located in south St. Louis County and occupies approximately 3.6 square miles. The City was initially incorporated as a village in 1947 after the area’s population grew following World War II. On April 5, 1949, residents voted to become a fourth-class city under Missouri law. In 1995, voters approved a City Charter, which gives the City greater powers than it had as a fourth-class city. The City has an estimated population of 12,315. Approximately 350 businesses operate within the City.

The City has several parks within its boundaries that offer tennis courts, playgrounds, a community center, a public water park, trails, fishing, disc golf and more. Adjacent to the popular Whitecliff Park in the City is Grant’s Farm, the animal reserve owned by members of the Busch family (heirs to the founder of the Anheuser-Busch brewery). Grant’s Farm is home to free roaming zebras, deer, buffalo, and other animals. During the summer months, this attraction is free and open to the public.

Type of Government

The City is governed by a Mayor, elected at-large, and an eight-member Board of Aldermen, two from each of the City’s four wards. The Mayor and Aldermen are elected to serve in three-year terms. The current Mayor and members of the Board of Aldermen are as follows:

	<u>Year Elected</u>	<u>Year Present Term Expires</u>
Scott Shipley, Mayor	2023	2026
Jesse Morrison, Ward 1	2024	2027
Jim Zavist, Ward 1	2022	2025
Michael Balles, Ward 2	2022	2025
Rebecca Now, Ward 2	2024	2027
Greg Hall, Ward 3	2022	2025
Grant Mabie, Ward 3	2024	2027
Tony Kennedy, Ward 4	2022	2025
John Sebben, Ward 4	2024	2027

The City Charter provides that a City Administrator will be nominated by the Mayor and appointed with the advice and consent of a majority of the authorized membership of the Board of Aldermen. The City Administrator is responsible for the day-to-day administration of the City, including the supervision of all City departments and divisions, including, without limitation, the City’s Finance Division. A Finance Officer appointed by the City Administrator is the head of the City’s Finance Division and reports to the City Administrator. The current City Administrator and Finance Officer are as follows:

Kris Simpson, *City Administrator*. Mr. Simpson was appointed City Administrator in January 2016. Mr. Simpson has a master’s degree in public policy administration from the University of Missouri – St. Louis and in 2023 became a credentialed City Manager by the International City/County Management Association.

Sara Fleming, *Finance Officer*. Sara Fleming was appointed Finance Officer for the City in October 2022. Ms. Fleming earned a master's degree in accounting at Maryville University of Saint Louis.

Employees

The City currently has 84 full-time employees. Benefits provided to full-time employees include health insurance and life insurance, a retirement plan (see the caption "**Pension Plans**" herein), paid vacation and sick leave. In 2007, the Missouri Supreme Court held that public employees have a constitutional right to collectively bargain under Missouri's Constitution. Two employee groups, firefighters and police officers, are covered by collective bargaining units. The City has no record of any work stoppages or labor disputes.

Pension Plans

The City has a defined benefit pension plan that provides certain retirement, disability and death benefits to plan members and their beneficiaries. The City participates in the Missouri Local Government Employee Retirement System ("**LAGERS**").

Missouri Local Government Employees Retirement System. The City participates in LAGERS, a multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in the State. LAGERS was created and is governed by State statute and is a defined benefit pension plan that provides retirement, disability and death benefits. The plan is qualified under Section 401(a) of the Internal Revenue Code and is tax-exempt. LAGERS is governed by a seven-member board of trustees consisting of three trustees elected by participating employees, three trustees elected by participating employers and one trustee appointed by the Governor.

LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. The LAGERS Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023 (the "**2023 Annual Comprehensive Financial Report**") is available at <https://www.molagers.org/financial-reports/>. The link to the 2023 Annual Comprehensive Financial Report is provided for general background information only, and the information in the report is not incorporated by reference herein. The report provides detailed information about LAGERS, including its financial position, investment policy and performance information, actuarial information and assumptions affecting plan design and policies, and certain statistical information about the plan.

All full-time employees of the City are eligible to participate in LAGERS. As permitted by LAGERS, the City has elected the non-contributory plan, meaning its participating employees do not contribute to the pension plan. The City is required by statute to contribute at an actuarially determined rate for each category of participating employees. Actuarially determined contribution rates are calculated as of February 28, 2023, prior to the end of the fiscal year in which contributions are reported. For 2023, the City contributed \$312,630 to LAGERS on behalf of participating employees. The City's actuarially determined contribution rate for 2023 was 5.19 % of annual covered payroll.

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

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Schedule of City Contributions

<u>Year Ended June 30</u>	<u>Actuarially Determined Contribution ⁽¹⁾</u>	<u>Actual Employer Contributions</u>	<u>Contribution Excess/(Deficiency)</u>
2023	\$ 312,630	\$ 312,630	-
2022	312,962	312,962	-
2021	266,120	266,120	-
2020	259,511	259,511	-
2019	260,595	243,206	\$ (17,389)

⁽¹⁾ Actuarially determined contribution rates are calculated as of February 28, 2023 prior to the end of the fiscal year in which contributions are reported

The City has implemented Governmental Accounting Standards Board (“GASB”) Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*. This Statement requires the City to record net pension liability and pension expense on its financial statements. The net pension liability is the difference between the total pension liability and the plan’s fiduciary net position. The pension expense recognized each fiscal year is equal to the change in the net pension liability from the beginning of the year to the end of the year, adjusted for deferred recognition of certain changes in the liability and investment experience.

As of June 30, 2023, the City had 234 participants (104 inactive employees or beneficiaries currently receiving benefits, 55 inactive employees entitled but not yet receiving benefits, 75 active employees) in the Defined Benefit Plan. The City’s recognized pension expense for the year ended June 30, 2023 was \$210,296 and the net pension liability (asset) attributable to the Defined Benefit Plan as of June 30, 2023, recorded on the City’s financial statements, is set forth below.

	<u>Net Pension Liability</u>
Total Pension Liability	\$ 32,379,397
Less: Plan Fiduciary Net Position	<u>41,392,932</u>
Net Pension Liability/(Asset)	<u>\$ (9,013,535)</u>

The City’s net pension liability is based on a 7% discount rate. The City’s net pension liability using a 1% higher or lower discount rate would be as follows:

	<u>1.0% Decrease (6.0%)</u>	<u>Rate Assumption (7.0%)</u>	<u>1.0% Increase (8.0%)</u>
General Liability/(Asset)	\$ (1,347,488)	\$ (2,590,569)	\$ (3,634,260)
Police Liability/(Asset)	(455,523)	(1,972,926)	(3,233,187)
Fire Liability/(Asset)	<u>(1,453,520)</u>	<u>(2,800,667)</u>	<u>(3,931,228)</u>
TOTAL	<u>\$ (3,256,531)</u>	<u>\$ (7,364,162)</u>	<u>\$ (10,798,675)</u>

For additional information regarding the City’s participation in LAGERS relating to the year ended June 30, 2023, see “**Note 8 – Pension Plan**” in **APPENDIX B**. For additional information regarding LAGERS, see the 2023 LAGERS Annual Report.

Other Post-Employment Benefits

Retiree Health Plan. The City administers a single employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides healthcare insurance for eligible retirees and their spouses through the City's group health insurance plan, which covers both active and retired members until the retiree reaches the age of 65. The City Administrator makes a recommendation to the Board of Aldermen, who then approves benefit provisions and costs to both the City and to plan members. The Retiree Health Plan does not issue a publicly available financial report. The plan is required to have bi-annual actuarial valuations performed. The last valuation performed was for the year ending December 31, 2020.

Annual OPEB Cost and OPEB Liability. The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The City has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement 75 for employers in plans with fewer than one hundred total plan members. The most recent ARC calculation was performed December 31, 2022. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Risk Management

The City manages risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City is a member of the St. Louis Area Insurance Trust (SLAIT). SLAIT is a not-for-profit, self-insurance risk pool formed by various St. Louis County municipalities. Coverage is provided by the trust for general, police, public officials, cybersecurity, worker's compensation, auto liability and employee health insurance. SLAIT is fully funded by its member participants and employs an outside service company to process all claims. The City's 2023 expenditures for the trust totaled \$506,564 to SLAIT.

Municipal Utilities and Services

The City provides a full range of services associated with municipalities of similar size and type, including police, fire and emergency medical services, engineering and public works, parks and recreation, legislative, land use management, municipal court, health, welfare and administration. These services are financed from revenues of the City. Missouri-American Water Company provides water service to the City; The Metropolitan St. Louis Sewer District provides sewer service to the City; Waste Connections of Missouri provides waste collection and recycling services; Ameren provides electricity; and Spire Gas provides natural gas.

Public Safety

The City maintains its own police department with 29 full time employees. The department is split into three divisions: Command Staff, Field Operations (also referred to as the Patrol Division), and Support Services.

The City also maintains its own fire department with 24 full time employees. The department provides a wide range of services to the community, including all hazards incident response and emergency medical services. The fire marshal conducts annual fire inspections and building inspections for new construction and renovations, working with the community to ensure a safe environment for all.

Communications

Telecommunications services are provided by numerous telecommunications providers. Residents of the City can receive broadcast signals from all St. Louis radio and television stations. Local newspapers include the *St. Louis Post-Dispatch* and *Call Newspapers*. There is also a bi-monthly city newsletter.

Transportation

The City's geographic location provides easy access to all areas of metropolitan St. Louis via I-44 and I-270. Regularly scheduled commercial air passenger and air freight service is available at the St. Louis Lambert International Airport located approximately 20 miles north of the City. The City is served by all major freight carriers and package delivery services and several railways serve the greater St. Louis area with the main yards being in downtown St. Louis. Amtrak passenger train service is also available. Local facilities for barge transportation are located at the Port of Metropolitan St. Louis. The Port is serviced by all major barge lines and is the northern most year-round ice-free port on the inland waterway.

Educational Institutions and Facilities

The City is primarily served by the Lindbergh School District with a small portion located within the Affton School District.

There are also several private school options in the south St. Louis County area.

Post-secondary educational facilities located in the surrounding area include both public and private colleges and universities such as St. Louis Community College, University of Missouri-St. Louis, Lindenwood University, Washington University, St. Louis University, Maryville University and Webster University.

Medical and Health Facilities

Missouri Baptist Medical Center is located just outside of the City limits and offers 24-hour emergency care and a variety of outpatient services and physician practices. The City is also served by Mercy Clinic Internal Medicine, DaVita Crestwood Dialysis and Mercy-GoHealth Urgent Care. Also located in the surrounding area are Washington University Medical Center at Barnes-Jewish Hospital, St. Louis University Hospital, and Mercy Medical Center, as well as numerous doctors' offices, nursing facilities and other healthcare providers.

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Employment

The following table sets forth the total labor force, number of employed and unemployed workers in the City and, for comparative purposes, the unemployment rates for the City, St. Louis County, the State of Missouri and the United States for the years 2019 through 2023:

Year	City of Crestwood Labor Force			Unemployment Rates			
	Employed	Unemployed	Total	City of Crestwood	St. Louis County	State of Missouri	United States
2023	6,817	69	6,886	1.0%	3.0%	3.0%	3.6%
2022	6,735	78	6,813	1.1	2.5	2.6	3.6
2021	6,522	128	6,650	1.9	4.2	4.2	5.3
2020	6,881	80	6,961	1.1	6.4	6.2	8.1
2019	6,781	82	6,863	1.2	3.0	3.2	3.7

Source: U.S. Department of Labor, Bureau of Labor Statistics.

The following list sets forth the names and approximate employment of the top 10 employers in the St. Louis Metropolitan⁽¹⁾ Statistical Area as of March 2023:

<u>Employer</u>	<u>Type of Business</u>	<u>Employees</u>
BJC HealthCare	Health care	30,920
Washington University	Education	19,617
Walmart Inc.	Grocery retailer	17,500
Boeing Defense, Space & Security	Aerospace engineering and manufacturing	15,796
Mercy	Health care	15,084
SSM Health	Health care	14,226
Scott Air Force Base	Military	13,000
Schnuck Markets Inc.	Grocery retailer	8,768
McDonald's Corp.	Fast food	8,415
Archdiocese of St. Louis	Religious services	7,000

⁽¹⁾ Includes the City of St. Louis and St. Louis, St. Charles, Lincoln, Warren, Franklin, Washington and Jefferson counties in Missouri and Jersey, Madison, Clinton, St. Clair, Calhoun, Macoupin, Bond and Monroe counties in Illinois.

Source: 2023 St. Louis County Business Journal Book of Lists.

Housing

The median value of owner-occupied housing units in the City, St. Louis County and the State of Missouri are estimated to be as follows:

City of Crestwood	\$ 271,400
St. Louis County	249,400
State of Missouri	199,400

Source: United States Census Bureau, 2018-2022 American Community Survey 5-Year Estimates.

Demographic Statistics

Population. According to the U.S. Census Bureau, the population patterns for the City, St. Louis County and the State of Missouri have been as follows:

<u>City of Crestwood</u>			<u>St. Louis County</u>		<u>State of Missouri</u>	
<u>Year</u>	<u>Population</u>	<u>Percentage Change</u>	<u>Population</u>	<u>Percentage Change</u>	<u>Population</u>	<u>Percentage Change</u>
2020	12,404	+4.1%	1,004,125	+0.5%	6,154,913	+2.8%
2010	11,912	+0.4	998,954	-1.7	5,988,927	+7.0
2000	11,863	+5.6	1,016,315	+2.3	5,595,211	+9.3
1990	11,234	N/A	993,529	N/A	5,117,073	N/A

Source: United States Census Bureau; Decennial Census.

The following table sets forth the population by age categories for the City, St. Louis County and the State of Missouri:

<u>Age</u>	<u>City of Crestwood</u>	<u>St. Louis County</u>	<u>State of Missouri</u>
Under 5 years	723	57,011	360,175
5-19 years	2,016	187,729	1,180,009
20-24 years	319	61,772	415,129
25-44 years	3,588	251,382	1,583,002
45-64 years	3,450	257,522	1,553,624
65 and over	2,219	184,287	1,062,483
Median Age	42.1	40.2	38.8

Source: United States Census Bureau, 2018-2022 American Community Survey 5-Year Estimates.

Other Statistics. The following table presents median family income for the City, St. Louis County and the State of Missouri:

	<u>Median Family Income</u>
City of Crestwood	\$ 124,878
St. Louis County	104,371
State of Missouri	84,745

Source: United States Census Bureau, 2018-2022 American Community Survey 5-Year Estimates.

The following table presents per capita personal income⁽¹⁾ for St. Louis County and the State of Missouri for the years 2018 through 2022, the latest date for which such information is available:

<u>Year</u>	<u>St. Louis County Per Capita Personal Income</u>	<u>State of Missouri Per Capita Personal Income</u>
2022	\$ 93,405	\$ 57,818
2021	87,474	56,073
2020	78,750	52,095
2019	71,970	48,401
2018	69,917	46,680

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

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

FINANCIAL INFORMATION CONCERNING THE CITY

Accounting, Budgeting and Auditing Procedures

The financial statements of the City have been prepared in conformity with generally accepted accounting principles, as applied to government units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the City are described below.

Basis of Accounting. The City uses a modified accrual basis of accounting: revenues are recorded when measurable and available. Available means collectable within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred. Accrued revenues are those which have been collected on the City’s behalf during the fiscal year and remitted to the City in the ensuing year. Most notably, this applies to sales taxes collected by the State in November and December but not remitted to the City until January and February.

Fund Accounting. The accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. The various funds are summarized by type in the general purpose financial statements. The fund types and account groups used by the City are discussed below.

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

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

Sewer Lateral Fund – The Sewer Lateral Fund is used to account for financial resources collected for sewer lateral repairs.

Parks and Stormwater Fund – The Parks and Stormwater Fund is used to account for financial resources to be used for the operations of park and stormwater activities as well as the acquisition, construction, or maintenance of major capital items related to parks and stormwater projects.

Capital Improvement Fund – The Capital Improvement Fund is used to account for resources accumulated for the purchase of capital items.

Budget Policies. The City follows the following procedures in establishing the budgetary data reflected in the financial statements:

1. (March-April) The Board of Aldermen, City Administrator and Department heads get together for a Saturday morning goal setting session. This allows the Board to clearly define their strategic goals and focus areas for the City and allows City staff to answer questions in their field of operations.
2. (Mid-August) The City Administrator and Finance Officer prepare the five-year financial projection.
3. (Late August) Budget instructions and worksheets are distributed to department heads.
4. (Late August-Early September) The City Administrator, Deputy City Administrator, Finance Officer and Department Heads get together to evaluate and score the Capital Improvement Plan. Those scores are combined with the scores from the Board of Aldermen, Park Board and Public Works Board for final calculations.
5. (Early September) Department heads provide personnel requests for full-time personnel as well as part-time, seasonal, and overtime needs to Human Resources for updating the current year's estimate and for the next fiscal year's budget.
6. (Mid-to Late September) Revenue projections completed, and department head budget requests (for all non-personnel line expenditures) submitted to the City Administrator.
7. (Early to Mid-October) City Administrator, Deputy City Administrator, and Finance Officer meet with department heads and review and revise budget requests.
8. (Late October) The budget is formally presented to the Board of Aldermen and referred to the standing Aldermanic Ways and Means Committee.
9. (Mid-November) Regular meeting(s) of the Ways and Means Committee take place during which Board members examine and alter the budget. (Public input)
10. (Late November) Public hearing and first reading of the budget. (Public input)
11. (Early December) Second reading and adoption of the annual budget. (Public input)

The General Fund

In accordance with established accounting procedures of governmental units, the City records its financial transactions under various funds. The largest is the General Fund, from which all general operating expenses are paid and to which taxes and all other revenues not specifically allocated by law or contractual agreement to other funds are deposited. The City's audited financial statements for the fiscal year ended

December 31, 2023, are included in this Official Statement as **APPENDIX B**. Copies of prior fiscal year's audits and financial reports are on file with the City. The following table sets forth the revenues, expenditures and fund balances for the City's General Fund for the last four fiscal years:

**SUMMARY OF OPERATIONS
FOR YEARS ENDING DECEMBER 31**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
REVENUES				
Taxes	\$ 11,127,342	\$ 9,897,688	\$ 9,080,272	\$ 8,313,989
Licenses and Permits	1,215,427	1,113,715	947,584	897,818
Fines and forfeitures	56,775	49,033	73,537	74,861
Grants	1,393,572	1,052,501	1,401,488	830,404
Charges for services	29,297	-	-	-
Investment income	257,350	14,566	29,890	81,434
Other income	<u>807,702</u>	<u>129,770</u>	<u>100,940</u>	<u>568,685</u>
Total Revenues	<u>\$ 14,887,465</u>	<u>\$ 12,257,273</u>	<u>\$ 11,633,711</u>	<u>\$ 10,767,191</u>
EXPENDITURES				
Current:				
General Governmental	2,007,216	\$ 1,765,228	\$ 1,677,521	\$ 1,641,972
Public works	3,996,834	3,354,195	2,460,958	3,170,149
Public safety				
Police	3,743,129	3,324,747	3,176,903	2,978,172
Fire	3,986,154	3,761,536	3,495,798	3,388,562
Parks and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>\$ 13,733,333</u>	<u>\$ 12,205,706</u>	<u>\$ 10,811,180</u>	<u>\$ 11,178,855</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 1,154,132</u>	<u>\$ 51,567</u>	<u>\$ 822,531</u>	<u>\$ (411,664)</u>
FUND BALANCE -- BEGINNING OF YEAR	<u>6,501,686</u>	<u>\$ 7,644,084</u>	<u>\$ 6,821,553</u>	<u>\$ 7,233,217</u>
Prior period adjustment	-	(1,193,965) ¹	-	-
FUND BALANCE -- END OF YEAR	<u>\$ 7,655,818</u>	<u>\$ 6,501,686</u>	<u>\$ 7,644,084</u>	<u>\$ 6,821,553</u>

Source: City's audited financial statements for the years ended December 31, 2020 - 2023.

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¹ American Recovery Plan Act funds received in 2021 were reclassified from Revenue to Unearned Revenue, per updated IRS guidance.

Sources of Revenue

The City finances its general operations through taxes and other sources. The estimated sources of revenue for the fiscal year ended December 31, 2023, are shown below:

<u>Source</u>	<u>Amount</u>	<u>Percent of Total</u>
Taxes	\$ 11,127,342	74.74%
Licenses and permits	1,215,427	8.16
Fines and forfeitures	56,775	0.38
Grants	1,393,572	9.36
Charges for services	29,297	0.20
Investment income	257,350	1.73
Other income	<u>807,702</u>	<u>5.43</u>
Total	<u>\$ 14,887,465</u>	<u>100.00%</u>

Source: City’s Audited Financial Statements for the fiscal year ended December 31, 2023.

Sales Taxes. The City’s largest source of revenue is its share of a 1% county-wide sales tax on retail sales through a pool comprised of unincorporated St. Louis County and many of the cities throughout St. Louis County. The amount of sales tax distributed is based on a two-part formula providing for either a distribution based upon retail sales that occur within the pre-1984 municipal boundaries or on a per capita basis as a part of a “county-wide pool” of those cities who do not opt to receive sales tax on a point-of-sale basis. Per capita distribution is adjusted on a decennial basis using the latest census figures and are not adjusted on an interim basis except in the case of incorporation of new cities or growth by annexation.

Beginning in 2017, pool cities generally receive at least 50% of the tax revenue generated in that specific city or unincorporated area. No city or unincorporated area receives less than the amount of sales tax revenue it received in 2014. Future State legislation may affect the distribution of the county-wide sales tax which could adversely impact the City’s finances.

City voters have also approved the imposition of a one-half cent capital improvement sales tax (which is also subject to a countywide pool), a one-half cent park and stormwater sales tax, and a one-half percent fire protection sales tax. The parks and stormwater and fire protection sales taxes are not subject to any countywide pool. The City also imposes a one and one-half cent local use tax on transactions that City residents and businesses conduct with out-of-state vendors.

In 2017, the voters of St. Louis County approved a one-half cent public safety sales tax, a portion of which is distributed to the City based on population.

The following table shows the proceeds of the one percent general sales tax, one-half percent capital improvement sales tax, one-half percent park and stormwater sales tax, one-half percent public safety sales tax, one and one-half percent use tax, and one-half percent fire protection sales tax for the last 5 years:

<u>Year</u>	<u>1.0% General Sales Tax</u>	<u>0.5% Capital Improvement Sales Tax</u>	<u>0.5% Park and Stormwater Sales Tax</u>	<u>0.5% County Public Safety Sales Tax</u>	<u>1.5% Use Tax</u>	<u>0.5% Fire Protection Sales Tax⁽¹⁾</u>
2023	\$2,632,739	\$1,239,292	\$1,443,408	\$794,501	\$803,156	\$1,446,822
2022	2,497,428	1,154,502	1,358,238	760,471	477,672	848,015
2021	2,379,549	1,073,995	1,263,524	669,332	392,388	654,390
2020	2,078,902	955,376	1,123,868	613,017	359,528	561,933
2019	2,122,401	993,897	1,169,159	661,871	261,845	584,579

⁽¹⁾ Voters in the City approved an increase in the Fire Protection Sales Tax from 0.25% to 0.5% on April 5, 2022.
Source: City's 2024 annual budget; City Finance Officer.

Utilities Gross Receipt Tax. The City levies a gross receipts tax on electric, natural gas, cable, wireless providers and water companies within the City. The utility tax accounted for approximately 10.34% of the City's general fund revenues in the fiscal year ended December 31, 2023. The utility tax is collected by the utility companies at the time of monthly billing and is remitted to the City within 20 days following the last day of each month.

Property Tax. The City levies a property tax on the assessed valuation of all real and personal property within the City as established by the St. Louis County Assessor. The City's personal property tax levy for the fiscal year ending December 31, 2023 was \$0.5813 per \$100 of assessed valuation for real property. For further information, see the caption "**PROPERTY TAX INFORMATION.**"

DEBT STRUCTURE OF THE CITY

Debt Ratios and Related Information

Population:	12,315
Assessed Valuation (2023) ⁽¹⁾ :	\$ 414,831,979
Estimated Actual Value (2023):	\$ 1,883,843,524
Outstanding Direct General Obligation Debt ⁽²⁾ :	\$ 33,340,000*
Per Capita Direct General Obligation Debt:	\$ 2,707.27*
Ratio of Direct General Obligation Debt to Assessed Valuation:	8.04%*
Ratio of Direct General Obligation Debt to Estimated Actual Value:	1.77%*
Overlapping General Obligation Debt ⁽³⁾ :	\$ 43,003,208
Direct and Overlapping General Obligation Debt ⁽²⁾ :	\$ 76,343,208*
Per Capita Direct and Overlapping General Obligation Debt:	1.77%*
Ratio of Direct and Overlapping General Obligation Debt to Assessed Valuation:	18.40%*
Ratio of Direct and Overlapping General Obligation Debt to Estimated Actual Value:	4.05%*

⁽¹⁾ Includes state and locally assessed real estate and personal property.

⁽²⁾ Includes the Bonds.

⁽³⁾ For further details see the caption "**DEBT STRUCTURE OF THE CITY – Overlapping General Obligation Indebtedness.**"

Source: St. Louis County Department of Revenue; U.S. Census Bureau Estimates.

* Preliminary, subject to change

General Obligation Indebtedness

Article VI, Sections 26(b) and 26(c) of the Constitution of Missouri limits the net outstanding amount of authorized general obligation bonds for a city to 10 percent of the assessed valuation of the city. Article VI, Sections 26(d) and 26(e), however, provide that a city may, with the required voter approval, issue general obligation bonds in an amount not to exceed an additional 10 percent of assessed valuation for the purpose of acquiring rights-of-way; constructing, extending and improving streets and avenues; constructing, extending and improving sanitary or storm sewer systems; or purchasing or constructing waterworks or electric light plants; provided that the total general obligation indebtedness of a city does not exceed 20 percent of the assessed valuation. The legal debt margin of the City based upon the 2023 assessed valuation is calculated as follows:

2023 Assessed Valuation	\$ 414,831,979
Debt Limit (20% of Assessed Valuation)	82,966,396
Less: General Obligation Bonds Outstanding ⁽¹⁾	<u>33,340,000*</u>
Legal Debt Margin	<u>\$ 49,626,396</u>

⁽¹⁾ Includes the Bonds.

Following the issuance of the Bonds, the Bonds will be the only general obligations of the City outstanding. The following table sets forth the debt service requirements on the Bonds:

Fiscal Year Ending December 31	Principal*	Interest*	Total*
2025	\$ 400,000	\$ 1,316,105	\$ 1,716,105
2026	755,000	1,357,025	2,112,025
2027	815,000	1,317,775	2,132,775
2028	930,000	1,274,150	2,204,150
2029	1,000,000	1,225,900	2,225,900
2030	1,125,000	1,172,775	2,297,775
2031	1,205,000	1,114,525	2,319,525
2032	1,335,000	1,057,700	2,392,700
2033	1,415,000	1,002,700	2,417,700
2034	1,550,000	943,400	2,493,400
2035	1,645,000	879,500	2,524,500
2036	1,790,000	810,800	2,600,800
2037	1,890,000	737,200	2,627,200
2038	2,050,000	658,400	2,708,400
2039	2,165,000	574,100	2,739,100
2040	2,340,000	484,000	2,824,000
2041	2,465,000	387,900	2,852,900
2042	2,660,000	285,400	2,945,400
2043	2,800,000	176,200	2,976,200
2044	<u>3,005,000</u>	<u>60,100</u>	<u>3,065,100</u>
TOTAL	<u>\$33,340,000</u>	<u>\$16,835,655</u>	<u>\$50,175,655</u>

* Preliminary; subject to change.

Overlapping General Obligation Indebtedness

The following table sets forth the overlapping general obligation indebtedness of political subdivisions with boundaries overlapping the City that will be outstanding on August 1, 2024, and the percent attributable to the City. The table was compiled from information furnished by the jurisdictions responsible for the debt, and the City has not independently verified the accuracy or completeness of such information. Furthermore, political subdivisions may have ongoing programs requiring the issuance of substantial additional bonds, the amounts of which cannot be determined at this time.

<u>Taxing Jurisdiction</u>	<u>Outstanding General Obligation Indebtedness</u>	<u>Percent Applicable to City</u>	<u>Amount Applicable to City</u>
St. Louis County ⁽¹⁾	\$ 54,945,000	1.19%	\$ 653,845
Affton School District	15,255,000	1.98	302,049
Lindbergh School District ⁽²⁾	<u>203,618,954</u>	20.65	<u>42,047,314</u>
Totals	<u>\$ 273,818,954</u>		<u>\$ 43,003,208</u>

(1) Overlapping bonded indebtedness excludes neighborhood improvement district general obligation bonds which are paid from special assessments.
 (2) Includes \$55,000,000 principal amount of general obligation bonds the Lindbergh School District expects to issue in July 2024 [*update following issuance of bonds*].
 Source: St. Louis County Collector’s Office, Taxing jurisdictions’ records and Municipal Securities Rulemaking Board (EMMA).

Other Obligations of the City

Other than the Bonds, the City’s only other obligations are the tax increment financing revenue notes described under the caption “**PROPERTY TAX INFORMATION – Tax Abatement and Tax Increment Financing.**”

Future Debt

The City is not currently anticipating any future borrowings.

History of Debt Payment

The City has never defaulted on any indebtedness.

PROPERTY TAX INFORMATION

Property Valuations

Assessment Procedure. All taxable real and personal property within the City is assessed by the County Assessor. State law requires that personal property be assessed at various levels up to 33-1/3% of true value and that real property be assessed at the following percentages of true value:

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

On January 1 in every odd-numbered year, each County Assessor must adjust the assessed valuation of all real property located within the county in accordance with a two-year assessment and equalization maintenance plan approved by the State Tax Commission.

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

Current Assessed Valuation. The following table shows the total assessed valuation and the estimated actual valuation, by category, of all taxable tangible property situated in the City according to the assessment for December 31, 2023, as adjusted by the Board of Equalization, including state assessed railroad and utility property:

<u>Category</u>	<u>Assessed Valuation</u>	<u>Assessment Rate</u>	<u>Estimated Actual Valuation</u>
Real estate:			
Residential	\$277,971,680	19%	\$1,463,008,042
Commercial ⁽¹⁾	77,445,860	32	242,018,313
Agricultural	0	12	0
State Assessed Railroad and Utility	<u>4,583,101</u>	32	<u>14,322,191</u>
Sub-Total	\$360,000,641		\$1,719,349,345
Personal property			
Regular ⁽¹⁾	\$ 54,109,300	33-1/3 ⁽²⁾	\$ 162,328,062
State Assessed Railroad and Utility	<u>722,038</u>	33-1/3 ⁽²⁾	<u>2,166,116</u>
Sub-Total	\$ 54,831,338		\$ 164,494,178
TOTAL	<u>\$414,831,979</u>		<u>\$1,883,843,524</u>

⁽¹⁾ Includes assessed valuation for Locally Assessed Railroad & Utilities.

⁽²⁾ Assumes all personal property is assessed at 33-1/3%; because certain subclasses of tangible personal property are assessed at less than 33-1/3%, the estimated actual valuation for personal property would likely be greater than that shown above. See the caption “PROPERTY TAX INFORMATION - Property Valuations - Assessment Procedure” herein.

Source: St. Louis County Department of Revenue.

History of Property Valuations. The total assessed valuation of all tangible real, personal taxable and state assessed railroad and utilities property situated in the City according to the assessments of December 31 in the years 2019 through 2023:

<u>Year</u>	<u>Assessed Valuation</u>	<u>% Change</u>
2023	\$414,831,979	+14.92%
2022	360,984,661	+3.97
2021	347,196,398	+5.95
2020	327,706,310	+0.15
2019	327,226,135	N/A

Source: City’s audited financial statements for the years ended December 31, 2020-2023

Property Tax Levies and Collections

Tax Collection Procedure. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and payable by December 31. The county collects the property tax and remits it to the City.

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

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

Tax Rates

The City may levy a property tax for operating expenses without annual voter approval but the City Council cannot raise the rate above the levy approved in the last election without voter approval. The City is allowed to increase the total revenue received from property taxes by an annual approved growth in the consumer price index and for new construction.

The following table shows the City's general revenue fund ad valorem tax levy (per \$100 of assessed valuation) for each of the following calendar years:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Revenue Fund Levy	\$0.6604	\$0.6624	\$0.6276	\$0.6342	\$0.5813

Source: Missouri State Auditor's Office.

The City is also authorized under Article VI, Section 26(f) of the Missouri Constitution to levy an annual tax on all taxable tangible property therein sufficient to pay the interest and principal of any bonded indebtedness as it falls due and to retire the same within 20 years from the date of issue. The City Council may set the tax rate for debt service, without limitation as to the rate or amount, at the level required to make such payments. The City does not currently levy a property tax for debt service but will levy such a tax while the Bonds are outstanding. The City expects the tax rate for the debt service fund for 2024 to equal \$0.52 (per \$100 of assessed valuation).

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Tax Collection Record

The County Collector, currently collects ad valorem taxes for the City and deducts a commission for its services. The following table sets forth the tax collection information for the City for the last five fiscal years:

Fiscal Year Ended December 31	Total Adjusted Levy	Real Property Assessed Valuation	Total Taxes Levied	Total Taxes Collected⁽¹⁾	Percentage of Assessment Collected⁽²⁾
2023	\$0.5813	\$414,831,979	\$2,411,418	\$2,547,616	105.65%
2022	0.6342	360,984,661	2,289,365	2,712,380	118.48
2021	0.6276	347,196,398	2,179,005	2,589,223	118.83
2020	0.6624	327,706,310	2,170,727	2,455,598	113.12
2019	0.6604	327,226,135	2,161,001	2,582,698	119.51

(1) Includes delinquent taxes from prior years and protested taxes, fines and penalties.

(2) Because delinquent taxes are shown in the year payment is received, the percentage of assessment collected may exceed 100%.

Source: City's audited financial statements for the fiscal years ended December 31, 2019 through 2023, Missouri State Auditor Office.

Major Property Taxpayers

The 10 largest property taxpayers in the City according to their 2023 assessed valuations are listed below:

Name	Assessed Valuation	Percent of Total Assessed Value
1. Watson Plaza LLC	\$ 5,322,300	1.28%
2. Dierbergs Crestwood Crossing LLC	4,668,900	1.13
3. Ean Holdings LLC	4,490,270	1.08
4. Begonia Development Inc	3,354,340	0.81
5. Forestview Apartments Owner LLC	2,587,590	0.62
6. Crestwood Square Associates LP	2,448,000	0.59
7. PSAF Development Partners LP	2,312,000	0.56
8. S K Crestview LLC	2,291,930	0.55
9. Camera Place LLC	2,270,750	0.55
10. EZ Storage Crestwood LLC	<u>2,246,150</u>	<u>0.54</u>
Total	<u>\$ 31,992,230</u>	<u>7.71%</u>

Source: St. Louis County Department of Revenue – Top 100 Assessments by Taxing Authority

Tax Abatement and Tax Increment Financing

Under Missouri law, tax abatement is available for redevelopers of areas determined by the governing body of a municipality to be “blighted.” The Land Clearance for Redevelopment Authority Law authorizes ten-year tax abatement pursuant to Sections 99.700 to 99.715, Revised Statutes of Missouri. Redevelopment corporations formed pursuant to Chapter 353, Revised Statutes of Missouri, may seek real property tax abatement for up to 25 years. In addition, the Industrial Development Corporations Law, Chapter 100, Revised Statutes of Missouri, authorizes real and personal property tax abatement for industrial development and other commercial projects.

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

Currently, a portion of the City that once housed an enclosed shopping mall and is now being redeveloped for retail and other commercial uses (including a recently completed Dierberg’s grocery store and additional inline and outlot buildings) is located in a tax increment financing redevelopment area (the “**Crestwood Plaza Redevelopment Area**”). Tax increment financing does not diminish the amount of property tax revenues collected by the City in an affected area compared to prior to the establishment of the Crestwood Plaza Redevelopment Area but instead acts to freeze such revenues at current levels (the “**Base**”) and deprives the City and other taxing districts of all or part of future increases in ad valorem real property tax revenues that otherwise would have resulted from increases in assessed valuation above the Base (the “**TIF Increment**”). The TIF Increment is captured by the Crestwood Plaza Redevelopment Area until the tax increment financing obligations issued are repaid or the tax increment financing period terminates. In December 2023, the City issued its not to exceed \$17,374,927.57 Tax Increment Revenue Notes (Crestwood Plaza Redevelopment Project), Series A and B (the “**TIF Notes**”). The final maturity of the TIF Notes and the expiration of the Crestwood Plaza Redevelopment Area is March 21, 2039. In addition to the above-described TIF Increment, the TIF Notes are also payable from certain incremental sales tax revenues generated in the Crestwood Plaza Redevelopment and revenues from the 1.0% sales tax imposed by the Crestwood Plaza Community Improvement District (the “**CID Sales Tax**”), a special taxing district with the same boundaries as the Crestwood Plaza Redevelopment Area. The City has no obligation to make payments on the TIF Notes if the TIF Increment, the above-described incremental sales tax and the CID Sales Tax are insufficient to cover debt service.

According to the County Assessor’s office, the assessed valuation of the property within the Crestwood Plaza Redevelopment Area within the City is \$3,501,750.

* * *

APPENDIX B

**AUDITOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023**

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City of Crestwood, Missouri

Financial Statements

For The Year Ended December 31, 2023

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Board of Alderman
City of Crestwood, Missouri

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the City of Crestwood, Missouri, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City of Crestwood, Missouri'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, and each major fund of the City of Crestwood, Missouri, as of December 31, 2023, 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 of Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

Other Matters

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Crestwood, Missouri's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is 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 schedule of expenditures of federal awards 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 budgetary comparison schedule - Capital Improvement Fund 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 19, 2024, on our consideration of the City of Crestwood, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Crestwood, Missouri's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Crestwood, Missouri's internal control over financial reporting and compliance.

F.E.W. CPAs

F.E.W. CPAs
Saint Louis, Missouri
April 19, 2024

City of Crestwood, Missouri
Management's Discussion and Analysis
December 31, 2023

The discussion and analysis of the City of Crestwood, Missouri's financial performance provides an overview and analysis of the City's financial activities for the fiscal year ended December 31, 2023. It should be read in conjunction with the accompanying basic financial statements.

Overview of the Financial Statements

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

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Crestwood, Missouri's finances, in a manner similar to a private-sector business. Please note that these government-wide financial statements exclude fiduciary fund activities.

The *statement of net position* presents information on all of the City of Crestwood's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Crestwood, Missouri is improving or deteriorating.

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

The Government-wide financial statements distinguish functions of the City of Crestwood, Missouri that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Crestwood, Missouri include general government, municipal court, police, fire, parks, and public works. The City does not have any business-type activities.

The government-wide financial statements include only the City of Crestwood, Missouri itself (known as the *primary government*), as the City does not have any component units to be included herein.

The government-wide financial statements can be found on pages 5 through 6 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Crestwood, Missouri, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Crestwood, Missouri are major governmental funds.

Governmental Funds

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

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

The City of Crestwood, Missouri maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Parks and Stormwater Fund, Sewer Lateral Fund, and Capital Improvement Fund, all of which are considered major funds.

The City of Crestwood, Missouri, adopts an annual appropriated budget for its General Fund, Parks and Stormwater Fund, Sewer Lateral Fund, and Capital Improvement Fund. Budgetary comparison statements have been provided for all budgeted funds to demonstrate legal compliance with the respective adopted budget.

The governmental fund financial statements can be found on pages 7 through 10 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 11 through 27 of this report.

Required Supplementary Information

In addition to the financial statements and notes to the financial statements, this report presents required supplementary information concerning the City's budgetary comparisons for the General, Parks and Stormwater, Sewer Lateral, pension trend information, and OPEB information.

The required supplementary information can be found on pages 28 through 36 of this report.

Supplemental Information

The Schedule of Expenditures of Federal Awards can be found on page 37.

Other Information

The budgetary comparison schedule for the Capital Improvement fund can be found on page 39.

Financial Analysis of the City as a Whole

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

The City's net position was \$42,321,210 as of December 31, 2023. This analysis focuses on the net position and changes in revenues and expenses of the City's governmental activities.

Statement of Net Position

	2023	2022	Increase (Decrease)
Assets			
Current and other assets	\$ 11,735,586	\$ 11,526,243	\$ 209,343
Noncurrent assets	33,384,866	32,865,616	519,250
Total assets	45,120,452	44,391,859	728,593
Deferred outflow of resources	1,332,408	925,812	406,596
Liabilities			
Current liabilities	1,026,091	2,472,184	(1,446,093)
Noncurrent liabilities	2,704,650	2,641,477	63,173
Total liabilities	3,730,741	5,113,661	(1,382,920)
Deferred inflow of resources	400,909	1,746,019	(1,345,110)
Net position			
Net investment in capital assets	26,020,704	23,852,081	2,168,623
Restricted	2,688,479	2,395,606	292,873
Unrestricted	13,612,027	12,210,304	1,401,723
Total net position	\$ 42,321,210	\$ 38,457,991	\$ 3,863,219

Governmental Activities increased the City's net position by \$3,863,219. The key elements of this increase are as follows:

Statement of Activities			
	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>
Revenues			
Program revenues			
Charges for services	\$ 2,301,581	\$ 2,064,376	\$ 237,205
Operating and capital grants	1,395,924	1,102,701	293,223
General revenues			
Taxes	14,018,472	12,237,624	1,780,848
Miscellaneous	1,042,159	2,044,866	(1,002,707)
Investment earnings	325,158	17,999	307,159
Total revenues	<u>19,083,294</u>	<u>17,467,566</u>	<u>1,615,728</u>
Expenses			
General government	2,005,348	1,734,496	270,852
Public works	4,149,815	4,166,594	(16,779)
Public safety - Police	4,038,658	3,133,877	904,781
Public safety - Fire	3,561,090	3,819,580	(258,490)
Parks and recreation	1,465,164	1,938,708	(473,544)
Total expenses	<u>15,220,075</u>	<u>14,793,255</u>	<u>426,820</u>
Change in net position	<u>\$ 3,863,219</u>	<u>\$ 2,674,311</u>	<u>\$ 1,188,908</u>

Governmental Funds

The focus of the City of Crestwood, Missouri's governmental funds is to provide information on inflows and balances of available expendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of 2023, the unassigned fund balance of the general fund was \$7,533,325, while the total fund balance was \$10,344,297. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures and transfers out. Unreserved fund balance represents 54.9% of total general fund expenditures.

General Fund Budgetary Highlights

The General Fund finished fiscal year 2023 with a surplus of \$1,154,132, which was better than the budgeted deficit of \$1,586,876. Overall revenue finished \$1,212,172 better than originally projected, and expenditures were \$1,528,836 less than originally projected.

Economic Factors and Next Year's Budget

The City, like many surrounding municipalities, has experienced the impact of economic uncertainty, particularly in the Watson Road business corridor which is a critical area for the City. While the economy has improved over the last couple of years, there are still challenges that the City faces, such as maintaining the balance between the costs of meeting demand for services against limited revenues.

The City has begun the redevelopment of the former Crestwood Court mall site, which represented the largest development opportunity in the City at roughly 47 acres. In 2023, the first phase of the redevelopment project was completed with the opening of a new grocery store, several smaller retailers, as well as the construction of 81 new single-family homes. Future phases of the redevelopment are in progress and targeted for completion in 2024 and 2025.

In 2023, the global economy continued to feel the aftershocks of the COVID-19 pandemic, namely in the form of inflation and labor shortages. Crestwood weathered the economic turbulence. The City's economic base, anchored by groceries and Sam's Club, continues to perform well. The City resumed normal capital spending and staffing. Additionally, allocations of federal assistance via CARES Act and American Rescue Plan Act funds helped the City protect its financial position. Looking ahead, the City anticipates that inflation will continue to rise, albeit at a slower pace. Labor issues have lessened but are not yet back to pre-pandemic levels. The City is well-positioned to operate despite these challenges, thanks to the aforementioned progress on the mall site redevelopment, as well as careful stewardship of city funds.

In April 2024, Crestwood voters approved Proposition A, a major bond issue, which will fund the construction of a new community center, as well as other park-related projects. The completion of this new community center is expected to generate more revenue than the existing community center, and operate in a more financially sustainable way. Construction of the new center is expected to begin in 2025, with completion in 2026.

As a best practice, the City will continue to conservatively forecast revenues (excluding grants) in all of its major funds. Accordingly, the General Fund revenues in 2024 are budgeted at \$14,518,582 and expenditures were estimated at \$14,432,355, yielding a surplus of \$86,226. For the year-end 2024, the City projects a fund balance of \$7,353,087.

The 2024 Capital Improvement Fund budget envisioned revenues of \$1,652,979 along with \$2,242,900 of expenditures, yielding a deficit of \$589,921. This deficit would result in a fund balance of \$580,974 at the end of 2024.

The 2024 Park and Stormwater Fund budget estimated revenues of \$2,902,601 and expenditures of \$3,575,428 yielding a deficit of \$672,827. The estimated fund balance for the Park and Stormwater Fund is projected to be \$353,654 at the end of 2024.

The 2024 Sewer Lateral Fund budget estimated revenues of \$145,400 and expenditures of \$152,852 yielding a deficit of \$7,452. The estimated fund balance for the Sewer Lateral Fund would be \$367,626 at the end of 2024.

The City will continue to focus on maintaining fund balances and being fiscally responsible with the assets of the City, while providing a high-quality level of services to the citizens of the City of Crestwood, Missouri. As a standing practice, the City will continue exploring possible options to increase other revenue sources and control expenditures in order to provide adequate long-term funding.

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 would like additional financial information, please visit our website, or contact the Finance Officer of the City of Crestwood, Missouri, One Detjen Drive, MO 63126.

Basic Financial Statements

CITY OF CRESTWOOD, MISSOURI
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Governmental Activities
ASSETS	
Current assets	
Cash and cash equivalents	\$ 8,413,630
Taxes receivable	3,180,731
Other receivables	18,732
Prepaid expenses	122,493
Total current assets	11,735,586
Noncurrent assets	
Net pension asset	7,364,162
Land and construction in progress	4,218,034
Capital assets, net of depreciation	21,802,670
Total noncurrent assets	33,384,866
TOTAL ASSETS	\$ 45,120,452
 DEFERRED OUTFLOW OF RESOURCES	
Deferred amounts related to pension	\$ 1,332,408
 LIABILITIES	
Current liabilities	
Accounts payable and accrued liabilities	\$ 264,497
Salaries and benefits payable	225,570
Refundable deposits	17,944
Unearned revenue-ARPA receipts	518,080
Total current liabilities	1,026,091
Noncurrent liabilities	
Accrued compensated absences	429,337
Postemployment benefits other than pension liability	2,275,313
Total noncurrent liabilities	2,704,650
TOTAL LIABILITIES	\$ 3,730,741
 DEFERRED INFLOW OF RESOURCES	
Deferred amounts related to pension	\$ 400,909
 NET POSITION	
Net investment in capital assets	\$ 26,020,704
Restricted for:	
Capital projects	1,232,726
Parks and stormwater	1,062,584
Sewer repairs	393,169
Unrestricted	13,612,027
TOTAL NET POSITION	\$ 42,321,210

The notes to the financial statements are an integral part of this statement

CITY OF CRESTWOOD, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

FUNCTIONS/PROGRAMS	Program Revenues				Governmental Activities
	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
General government	\$ 2,005,348	\$ 1,215,427	\$ 977,021	\$ -	\$ 187,100
Public works	4,149,815	135,891	-	111,124	(3,902,800)
Public safety					
Police	4,038,658	56,775	18,731	-	(3,963,152)
Fire	3,561,090	29,297	-	-	(3,531,793)
Parks and recreation	1,465,164	864,191	289,048	-	(311,925)
Total governmental activities	\$ 15,220,075	\$ 2,301,581	\$ 1,284,800	\$ 111,124	(11,522,570)
General revenues:					
Property taxes					2,756,047
Utilities taxes					1,538,629
Sales/use taxes					9,723,796
Investment income					325,158
Other income					836,258
Gain on sale of assets					205,901
Total general revenues					15,385,789
Changes in net position					3,863,219
Net position - beginning					38,457,991
Net position - ending					\$ 42,321,210

The notes to the financial statements are an integral part of this statement

CITY OF CRESTWOOD, MISSOURI
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	Major Funds				Total Governmental Funds
	General Fund	Parks and Stormwater Fund	Sewer Lateral Fund	Capital Improvements Fund	
ASSETS					
Cash and cash equivalents	\$ 6,200,461	\$ 839,207	\$ 365,893	\$ 1,008,069	\$ 8,413,630
Receivables					
Property taxes	1,226,917	-	28,907	-	1,255,824
Sales/use taxes	1,203,556	261,827	-	224,796	1,690,179
Utilities taxes and other	234,728	-	-	-	234,728
Other	18,647	85	-	-	18,732
Prepaid expenses	122,493	-	-	-	122,493
Internal balances	16,497	-	-	-	16,497
Total assets	<u>\$ 9,023,299</u>	<u>\$ 1,101,119</u>	<u>\$ 394,800</u>	<u>\$ 1,232,865</u>	<u>\$ 11,752,083</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued liabilities	\$ 247,564	\$ 16,933	\$ -	\$ -	\$ 264,497
Salaries and benefits payable	225,570	-	-	-	225,570
Refundable deposits	11,069	6,875	-	-	17,944
Unearned revenue-ARPA receipts	518,080	-	-	-	518,080
Internal balances	-	14,727	1,631	139	16,497
Total liabilities	<u>1,002,283</u>	<u>38,535</u>	<u>1,631</u>	<u>139</u>	<u>1,042,588</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	365,198	-	-	-	365,198
FUND BALANCES					
Nonspendable	122,493	-	-	-	122,493
Restricted	-	1,062,584	393,169	1,232,726	2,688,479
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	7,533,325	-	-	-	7,533,325
Total fund balances	<u>7,655,818</u>	<u>1,062,584</u>	<u>393,169</u>	<u>1,232,726</u>	<u>10,344,297</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 9,023,299</u>	<u>\$ 1,101,119</u>	<u>\$ 394,800</u>	<u>\$ 1,232,865</u>	<u>\$ 11,752,083</u>

The notes to the financial statements are an integral part of this statement

CITY OF CRESTWOOD, MISSOURI
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2023

Total fund balance - governmental funds		\$ 10,344,297
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		26,020,704
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.		365,198
Certain amounts are not a use of financial resources and, therefore, are not reported in the governmental funds. These items consist of:		
Net pension asset	7,364,162	
Deferred outflows - pension related	1,332,408	
Deferred inflows - pension related	<u>(400,909)</u>	8,295,661
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. All liabilities both current and long-term are reported in the statement of net position.		
Accrued compensated absences	(429,337)	
Postemployment benefits other than pension liability	<u>(2,275,313)</u>	<u>(2,704,650)</u>
Net position of governmental activities		<u><u>\$ 42,321,210</u></u>

The notes to the financial statements are an integral part of this statement

CITY OF CRESTWOOD, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Major Funds				Total Governmental Funds
	General Fund	Parks and Stormwater Fund	Sewer Lateral Fund	Capital Improvements Fund	
Revenues:					
Taxes	\$ 11,127,342	\$ 1,443,408	\$ -	\$ 1,239,292	\$ 13,810,042
Licenses and permits	1,215,427	-	-	-	1,215,427
Fines and forfeitures	56,775	-	-	-	56,775
Grants	1,393,572	-	-	-	1,393,572
Charges for services	29,297	864,191	135,891	-	1,029,379
Investment income	257,350	28,551	9,583	29,674	325,158
Other income	807,702	30,907	-	255,901	1,094,510
	<u>14,887,465</u>	<u>2,367,057</u>	<u>145,474</u>	<u>1,524,867</u>	<u>18,924,863</u>
Total revenues					
Expenditures:					
Current					
General government	2,007,216	-	-	-	2,007,216
Public works	3,996,834	482,683	121,441	-	4,600,958
Public safety					
Police	3,743,129	-	-	-	3,743,129
Fire	3,986,154	-	-	-	3,986,154
Parks and recreation	-	1,885,635	-	-	1,885,635
Capital outlay	-	-	-	1,254,766	1,254,766
	<u>13,733,333</u>	<u>2,368,318</u>	<u>121,441</u>	<u>1,254,766</u>	<u>17,477,858</u>
Total expenditures					
Revenues over (under) expenditures	<u>1,154,132</u>	<u>(1,261)</u>	<u>24,033</u>	<u>270,101</u>	<u>1,447,005</u>
Fund balances - beginning	<u>6,501,686</u>	<u>1,063,845</u>	<u>369,136</u>	<u>962,625</u>	<u>8,897,292</u>
Fund balances - ending	<u>\$ 7,655,818</u>	<u>\$ 1,062,584</u>	<u>\$ 393,169</u>	<u>\$ 1,232,726</u>	<u>\$ 10,344,297</u>

The notes to the financial statements are an integral part of this statement

CITY OF CRESTWOOD, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

Net change in fund balances - total governmental funds \$ 1,447,005

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	4,207,203	
Depreciation expense	<u>(1,988,581)</u>	2,218,622

Disposal of capital assets		
Disposals	<u>(50,000)</u>	(50,000)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds

Deferred revenue	<u>208,431</u>	208,431
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Change in accrued compensated absences	(63,172)	
Change in postemployment benefits other than pension liability	-	
Change in net pension asset	(1,649,373)	
Change in deferred outflows - pension related	406,596	
Change in deferred inflows - pension related	<u>1,345,110</u>	<u>39,161</u>

Change in net assets of governmental activities		<u><u>\$ 3,863,219</u></u>
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The notes to the financial statements are an integral part of this statement

CITY OF CRESTWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Crestwood, Missouri is a charter city governed by a mayor and an eight member Board of Aldermen.

The accounting and financial reporting policies of the City of Crestwood, Missouri (the City) conform to U.S. generally accepted accounting principles (GAAP) as applied to government entities. The following is a summary of the more significant policies.

Reporting Entity

The City defines its financial reporting entity in accordance with GASB Statements No. 14 and No. 39. The criteria for including a potential component unit within the reporting entity includes the governing body's ability to exercise financial accountability. Financial accountability includes control or dependence over budget adoption, taxing authority, funding, and appointment of the respective board. Based upon the application of these criteria, the City does not have any component units.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. As a general rule, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately as business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges for services to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, unrestricted interest earnings, gains, and other miscellaneous revenues not properly included among program revenues are reported instead as general revenues. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, although the latter is excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

The fund financial statements of the City are organized into funds, each of which is considered a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues, and expenditures. The emphasis is placed on major funds. Each major fund is presented in a separate column while nonmajor funds, if applicable, are aggregated and presented in a single column. The City reports the following major governmental funds:

CITY OF CRESTWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The Park and Stormwater Fund is used to account for financial resources to be used for the operations of park and stormwater activities as well as the acquisition, construction, or maintenance of major capital items related to parks and stormwater projects.

The Sewer Lateral Fund is used to account for financial resources collected for sewer lateral repairs.

The Capital Improvement Fund is used to account for resources accumulated for the purchase of capital items.

Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the 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 measurable and available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

GASB 33 groups non-exchange transactions into the following four classes, based upon their principal characteristics: derived tax revenues, imposed non-exchange revenues, government mandated non-exchange transactions, and voluntary non-exchange transactions.

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

Resources received in advance are reported as deferred revenues until the period of the exchange.

CITY OF CRESTWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Intergovernmental revenues, representing grants and assistance received from other governmental units, are generally recognized as revenues in the period when all eligibility requirements, as defined by GASB 33, have been met. Any resources received before eligibility requirements are met are reported as deferred revenues. Charges for services in the governmental funds, which are exchange transactions and are therefore not subject to the provisions of GASB 33, are recognized as revenues when received in cash because they are generally not measurable until actually received.

Cash, Cash Equivalents, and Certificates of Deposit

The City considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents. Certificates of deposits held at banks with an original maturity in excess of three months are reported at cost and reported as certificates of deposit in the financial statements.

Missouri State Statute requires that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits.

Allowance for Doubtful Accounts

Management believes there are no significant uncollectible receivables, therefore, no allowance for doubtful accounts has been recorded.

Prepaid Item

Payments made to vendors for services that will benefit periods beyond December 31, 2023, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

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. All other interfund transactions are reported as transfers.

CITY OF CRESTWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets

The City's property, plant, equipment, and infrastructure with useful lives of more than one year are stated at original or estimated original cost and comprehensively reported in the government-wide financial statements. Donated assets are stated at fair value on the date donated. The City generally capitalizes assets with a cost of \$5,000 or more, as purchase and construction outlay occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed of, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

Depreciation is being computed on the straight-line method, using asset lives as follows:

Buildings and other structures	40 years
Infrastructure	20-40 years
Improvements other than buildings	3-15 years
Machinery, equipment and vehicles	3-15 years

General infrastructure assets acquired after July 1, 2002, were recorded as capital assets and consist of the road network assets that were acquired or that received substantial improvements and are reported at historical cost. The costs of normal maintenance and repairs that do not add value to the assets or materially extend the assets' lives are not capitalized.

Compensated Absences

Under terms of the City's personnel policy, vacations accrue immediately after employment and employees are eligible for vacation time after six months of employment with the City. Upon termination, the employee is entitled to payment for accrued vacation benefits and comp time. Sick leave is accumulated based upon length of service and is available only to provide compensation during periods of illness. No portion of sick leave is payable to the employee upon termination. The entire accrued benefit liability related to the City's compensated absences in the amount of \$429,337 has been recorded in the government-wide financial statements.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. This item is deferred amounts related to pension reported in the government-wide statement of net position. The deferred amounts related to pension are differences between expected and actual experience, net difference between projected and actual earnings on pension plan investments, and changes of assumptions.

CITY OF CRESTWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only two types of items, which arise only under a modified accrual basis of accounting that qualifies for reporting in this category. The item, deferred amounts related to pension reported in the government-wide statement of net position. The deferred amounts related to pension are differences between expected and actual experience, the net difference between projected and actual earnings on pension plan investments, and changes of assumptions. These amounts are deferred and amortized over five years. Accordingly, the item, unavailable revenue, is reported only in the governmental fund's balance sheet. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Fund Balances

In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows.

Nonspendable – The portion of fund balance that is not in a spendable form or is required to be maintained intact.

Restricted – The portion of fund balance that is subject to external restrictions and constrained to specific purposes imposed by agreement, through constitutional provisions, or by enabling legislation.

Committed – The portion of fund balance with constraints or limitations by formal action of the Board of Aldermen, the highest level of decision-making authority.

Assigned – The portion of fund balance that the City intends to use for a specific purpose as determined by the applicable City officials to which the Board of Aldermen has designated authority.

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

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

CITY OF CRESTWOOD, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The City adopted a fund balance policy which established a minimum unrestricted reserve requirement goal of 45% at the end of any fiscal year. The reserve is calculated as the amount of available unrestricted reserves (committed, assigned, and unassigned fund balance categories) divided by the operating expenditures of the General Fund. \$7,533,325 of the ending fund balance at December 31, 2023 was classified as unrestricted reserves, which was 55% of expenditures.

Net Position

Net Position represents the difference between assets and liabilities. Net investment in capital assets represents the cost of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net position is reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and the accompanying notes. Actual results could differ from those estimates.

NOTE 2 - PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and payable by December 31. The county collects the property tax and remits it to the City.

The assessed valuation of the tangible real, personal taxable and state assessed railroad and utilities property for the calendar year 2023 for purposes of local taxation was \$414,831,979. The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2023 for purposes of local taxation was:

	Real Estate		Personal
	Residential	Commercial	Property
General Fund	\$ 0.516	\$ 0.697	\$ 0.728

NOTE 3 - DEPOSITS AND INVESTMENTS

Missouri Statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of the collateral pledged must equal 100% of the deposits not covered by insurance or corporate surety bonds.

CITY OF CRESTWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 - DEPOSITS AND INVESTMENTS (continued)

Deposits - At year-end, the carrying amount of the City's deposits totaled \$8,413,630 and bank balances totaled \$8,604,547.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City has a policy for custodial credit risk that follows Missouri Statutes for deposits. The deposits were not exposed to custodial credit risk for the year ended December 31, 2023.

Missouri Securities Investment Program (MOSIP) - The City has \$7,258,343 invested in the MOSIP money market as of December 31, 2023. All funds in the program are invested in accordance with Section 165.051 Missouri Revised Statutes. Each entity owns a pro-rata share of each investment or deposit which is held in the name of the Fund. Since the Fund has the characteristics of a mutual fund, it is not reported by risk category in accordance with the Governmental Accounting Standards Board.

Investments

State statutes and City policy authorize the investment in obligations of the U.S. Treasury, agencies and instrumentalities, time deposit certificates, and repurchase agreements. The City's investments are all categorized as: uninsured and unregistered for which the securities are held by the counter party's trust department or agent in the City's name.

Interest Rate Risk

The City minimizes the risk that the market values 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. Investments are limited to maturities of five years or less from the date of purchase. The weighted average of maturities should not exceed three years.

Custodial Credit Risk

For an investment, the custodial risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City minimizes credit risk by pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the City does business and diversifying the portfolio so that potential losses on individual securities are minimized.

Concentration of Credit Risk

It is the City's policy to limit investments to the maximum percentages as follows:

U.S. Treasuries and securities having principal and/or interest guaranteed by the US government	100%
Collateralized time and demand deposits	100%
Collateralized repurchase agreements	50%

CITY OF CRESTWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 - INTERFUND RECEIVABLES/PAYABLES

The composition of interfund balances as of December 31, 2023 is as follows:

	Net Interfund Receivable	Net Interfund Payable
General Fund	\$ 16,497	\$ -
Sewer Lateral Fund	-	1,631
Parks and Stormwater Fund	-	14,727
Capital Improvement Fund	-	139

The outstanding balances between funds result from the time lag between the dates that the reimbursable expenditures occur and the payments are made. The balances are expected to be repaid within one year.

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023, was as follows:

	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u>
Land	\$ 1,908,702	\$ -	\$ -	\$ 1,908,702
Construction in Progress	1,790,096	3,470,044	2,950,808	2,309,332
Total capital assets not being depreciated	<u>3,698,798</u>	<u>3,470,044</u>	<u>2,950,808</u>	<u>4,218,034</u>
<i>Capital assets being depreciated:</i>				
Machinery and equipment	2,579,931	148,729	13,446	2,715,214
Infrastructure	13,843,353	2,176,799	-	16,020,152
Buildings and other structures	23,111,280	792,297	-	23,903,577
Vehicles	3,221,023	570,142	433,946	3,357,219
Total capital assets being depreciated	<u>42,755,587</u>	<u>3,687,967</u>	<u>447,392</u>	<u>45,996,162</u>
<i>Less accumulated depreciation for:</i>				
Machinery and equipment	1,778,905	240,688	13,446	2,006,147
Infrastructure	5,416,537	770,483	-	6,187,020
Buildings and other structures	13,162,357	571,951	-	13,734,308
Vehicles	2,244,505	405,458	383,946	2,266,017
Total accumulated depreciation	<u>22,602,304</u>	<u>1,988,580</u>	<u>397,392</u>	<u>24,193,492</u>
Total net capital assets being depreciated	<u>20,153,283</u>	<u>1,699,387</u>	<u>50,000</u>	<u>21,802,670</u>
Governmental activity capital assets, net	<u>\$23,852,081</u>	<u>\$5,169,431</u>	<u>\$3,000,808</u>	<u>\$26,020,704</u>

CITY OF CRESTWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 - CAPITAL ASSETS (continued)

Depreciation expense was charged to governmental activities as follows:

Governmental activities:	
General government	\$ 267,830
Parks and recreation	290,155
Public works	995,087
Police	185,488
Fire	250,021
Total	<u>\$ 1,988,581</u>

NOTE 6 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City is a member of the St. Louis Area Insurance Trust (SLAIT), which is a not-for-profit, self-insurance risk pool formed by various St. Louis County municipalities.

In order to operate as a group self-insurer of workers' compensation, SLAIT was formed in August 1986. In addition to insurance protection, the program provides risk management services with an emphasis on loss control, claims administration, and management information services. The trust is also able to provide the required excess reinsurance at a discount based on volume and the existence of the loss control program. Coverage is provided by the trust for general and auto liability subject to a \$500 deductible per occurrence. SLAIT is fully funded by its member participants and employs an outside service company to process all claims.

The trust requires an annual premium payment by members to cover estimated claims payable and reserves for claims. The members of the trust have no legal interest in the assets, liabilities, or fund balances of the insurance trust. However, the City retains a contingent liability to fund its pro-rata share of any deficit incurred by the trust should the trust cease operation at some future date. The City's 2023 expenditures for the trust totaled \$506,564 to SLAIT.

The City also purchases commercial insurance to cover risks related to travel, public official liability, earthquakes, and employee blanket bonds. Settled claims resulting from these risks have not exceeded coverage in any of the past three years.

NOTE 7 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 19, 2024, the date which the financial statements were available for issue, and noted no reportable events.

CITY OF CRESTWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 - PENSION PLAN

Plan description. The City of Crestwood, Missouri’s (the City) defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City participates in the Missouri Local Government Employees Retirement System (LAGERS). 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.

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 and fire) 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 fire) and receive a reduced allowance.

	<u>2023 Valuation</u>
Benefit multiplier:	1.50%
Final average salary:	3 years
Member contributions:	0%

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

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

Inactive employees or beneficiaries currently receiving benefits	104
Inactive employees entitled to but not yet receiving benefits	55
Active employees	75
	234

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 do not contribute to the pension plan. Employer contribution rates are 15.4% of annual covered payroll.

CITY OF CRESTWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 - PENSION PLAN (continued)

Net Pension Liability. The employer’s net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2023.

Actuarial assumptions. The total pension liability in the February 28, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75% wage inflation; 2.25% price inflation
Salary Increase	2.75% to 6.75% including inflation
Investment rate of return	7.00%

The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table. 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. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table of General groups and 75% of the PubS-2010 Employee Mortality Table of Police, Fire, and Public Safety groups. Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Alpha	15.00%	3.67%
Equity	35.00%	4.78%
Fixed income	31.00%	1.41%
Real assets	36.00%	3.29%
Strategic assets	8.00%	5.25%
Cash/leverage	-25.00%	-0.29%

Discount rate. The discount rate used to measure the total pension liability is 7.00%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the 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 currently 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.

CITY OF CRESTWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 - PENSION PLAN (continued)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at 6/30/2022	\$ 32,379,397	\$ 41,392,932	\$ (9,013,535)
Changes for the year:			
Service Cost	569,156	-	569,156
Interest	2,220,794	-	2,220,794
Difference between expected and actual experience	262,472	-	262,472
Contributions - employer	-	308,872	(308,872)
Net investment income	-	1,451,192	(1,451,192)
Benefit payments, including refunds	(1,899,192)	(1,899,192)	-
Administrative expense/other changes	-	(357,015)	357,015
Net changes	<u>1,153,230</u>	<u>(496,143)</u>	<u>1,649,373</u>
Balances at 6/30/2023	<u>\$ 33,532,627</u>	<u>\$ 40,896,789</u>	<u>\$ (7,364,162)</u>

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.

	Current Single Discount		
	1% Decrease 6.00%	Rate Assumption 7.00%	1% Increase 8.00%
General	\$ (1,347,488)	\$ (2,590,569)	\$ (3,634,260)
Police	(455,523)	(1,972,926)	(3,233,187)
Fire	(1,453,520)	(2,800,667)	(3,931,228)
	<u>\$ (3,256,531)</u>	<u>\$ (7,364,162)</u>	<u>\$ (10,798,675)</u>

For the year ended June 30, 2023, the employer recognized pension expense of \$210,296. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflow of Resources
Differences in experience	\$ 697,641	\$ (215,240)	\$ 482,401
Differences in assumptions	-	(185,669)	(185,669)
Excess (deficit) investment returns	475,597	-	475,597
Contributions subsequent to the measurement date*	159,170	-	159,170
Total	<u>\$ 1,332,408</u>	<u>\$ (400,909)</u>	<u>\$ 931,499</u>

CITY OF CRESTWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 - PENSION PLAN (continued)

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ended December 31, 2023.

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

Year Ending June 30	Net Deferred Outflows of Resources
2024	\$ (88,045)
2025	(449,069)
2026	966,566
2027	338,252
2028	4,625
Thereafter	-
Total	<u>\$ 772,329</u>

NOTE 9 - DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is available to employees at termination, retirement, death, or unforeseeable emergency. In accordance with the provisions of GASB Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, the assets and liabilities of the deferred compensation plan are not included in the accompanying basic financial statements.

NOTE 10 - TAX ABATEMENTS

Saint Louis County has granted tax abatements through the Advance Industrials Manufacturing Zones Act Program, Industrial Development Bonds Program, Enhanced Enterprise Zone Initiative Program, and the Urban Development Corporations Program. These programs are under Chapters 68, 100, 135, and 353 of the Local Code in the tax jurisdiction of the District. Chapter 68 encourages industrial development through the issuance of bonds by the Port Authority. Chapter 100 encourages industrial development through the issuance of bonds by the County or Municipality. Chapter 135 encourages the expansion or development of new businesses in an Enhanced Enterprise Zone (EEZ), and Chapter 353 encourages the redevelopment of blighted areas by way of a Redevelopment Corporation. For calendar year 2023, the total amount of property tax abated was \$6,101.

CITY OF CRESTWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 11 - MUNICIPAL COURT TRAFFIC VIOLATIONS FINES AND COSTS

Missouri State statutes require municipalities to report an accounting of the percent of “annual general operating revenue” from fines and costs for traffic violations. All fines and costs from traffic violations in excess of 20% of the City’s “annual general operating revenue” is required to be remitted to the director of the department of revenue for annual distribution to the schools of the county. “Annual general operating revenue of the City” is defined by the Missouri State Auditor as revenue that is not required by the enacting ordinance law or Constitution to be used only for a designated purpose and can be used to pay any bill or obligation of the City. This includes, but is not limited to, general sales tax, general property tax, and fees from certain licenses and permits, interest, fines, and penalties. “General Operation Revenues” does not include, among other items, designated sales or use taxes, user fees, grant funds, or other revenue designated by law, ordinance, or Constitution, for a specific purpose.

Total court fines and costs (all case types)	\$36,234
Total general operating revenue of the City	\$12,557,201
Court fines and costs as a percentage of total general operating revenues	0.29%

NOTE 12 - COMMITMENTS AND 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.

NOTE 13 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description. The City of Crestwood, Missouri administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides healthcare insurance for eligible retirees and their spouses through the City's group health insurance plan, which covers both active and retired members until the retiree reaches the age of 65.

The City Administrator makes a recommendation to the Board of Aldermen, who then approves benefit provisions and costs to both the City and to plan members. The Retiree Health Plan does not issue a publicly available financial report. The plan is required to have bi-annual actuarial valuations performed. The last valuation performed was for the year ending December 31, 2022.

Funding Policy. The Board of Aldermen determines contribution requirements. The City contributes a percentage of the cost of current-year premiums for eligible retired plan members and their spouses. The percentage is different depending on the level of coverage the retiree chooses.

For fiscal year 2022, the City contributed \$183,794 to the plan. Plan members receiving benefits contribute the remainder of their premium costs.

CITY OF CRESTWOOD, MISSOURI
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2023

NOTE 13 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Annual OPEB Cost and OPEB Liability. The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*. The City has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement 75 for employers in plans with fewer than one hundred total plan members. The most recent ARC calculation was performed December 31, 2022. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

At December 31, 2022, the Plan covered the following number of participants for medical coverage:

Active	78
Retired	8
	86

Methods and Assumptions Valuations are performed using the Entry Age Normal (Alternative Measurement Method). Under the Entry Age Normal Method the projected benefits of each active participant is allocated on a level basis over the earnings of the individual over the participant's period of service.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in accrued liabilities and the value of assets, consistent with the long-term perspective of the calculations.

The following simplifying assumptions were made:

Retirement age for active employees - Based on the historical average retirement age for the covered group, active plan members were assumed to retire at age 62.

Marital status - 30% of active employees are assumed to be married and elect spousal coverage upon retirement.

Mortality - Public Safety: PubS.H-2010 Mortality Table – Safety with Mortality Improvement using Scale MP-2020; All Others: PubG.H-2010 Mortality Table – General with Mortality Improvement using Scale MP-2020

Turnover - Table T-5 from the Pension Actuary's Handbook was used for turnover rates.

Healthcare cost trend rate - A rate of 7.4 percent initially, reduced to an ultimate rate of 4.5 percent after 14 years, was used.

CITY OF CRESTWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 13 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Inflation rate - The expected long-term inflation assumption was 2.75%.

Payroll growth rate - The expected long-term payroll growth rate was assumed to be 3.00%.

Discount rate - The discount rate used to measure the total OPEB liability was 4.31%, which is the S&P Municipal Bond 20 Year High-Grade Rate Index as of December 31, 2022.

OPEB Liability

The following schedule shows the OPEB liability as of December 31, 2022, the date of the last actuarial valuation:

Balances at 12/31/20	\$ 2,871,257
Changes for the year:	
Service Cost	204,286
Interest	62,536
Difference between expected and actual experience	(294,569)
Changes of assumptions and other inputs	(384,403)
Benefit payments, including refunds	(183,794)
Net changes	(595,944)
Balances at 12/31/22	\$ 2,275,313

Discount Rate Sensitivity- The following presents the OPEB liability of the City, calculated using the discount rate of 4.31%, as well as what the City's OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Discount Rate Sensitivity	\$ 2,425,554	\$ 2,275,313	\$ 2,137,344

Healthcare Trend Rate Sensitivity- The following presents the OPEB liability of the City, calculated using the healthcare trend rate of 7.4% decreasing to 4.5% after 14 years, as well as what the City's OPEB liability would be if it were calculated using a trend rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Trend Rate Sensitivity	\$ 2,094,023	\$ 2,275,313	\$ 2,487,057

CITY OF CRESTWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 13 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Other Post Employment Benefit Expense And Deferred Outflows of Resources and Deferred Inflows Of Resources Related to the Pension.

For the year-ended December 31, 2022, the City recognized OPEB pension expense of (\$412,150). At December 31, 2022, the City reported no deferred outflow or deferred inflows of resources related to the OPEB Plan. Therefore, no deferred inflows of resources will be reflected in the future years' pension expense.

Required Supplementary Information
(Other than Management's Discussion and Analysis)

CITY OF CRESTWOOD, MISSOURI
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts			Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes				
Property taxes	\$ 2,740,345	\$ 2,740,345	\$ 2,547,616	\$ (192,729)
Utility taxes	1,357,581	1,357,581	1,538,629	181,048
Sales/use taxes	5,924,523	5,924,523	6,377,311	452,788
Other	585,167	585,167	663,786	78,619
Total taxes	10,607,616	10,607,616	11,127,342	519,726
Licenses, permits, fines and fees				
Licenses and permits	1,076,562	1,076,562	1,215,427	138,865
Charges for services	100,000	100,000	29,297	(70,703)
Fines and forfeitures	70,200	70,200	56,775	(13,425)
Total licenses, permits, fines and fees	1,246,762	1,246,762	1,301,499	54,737
Grants				
Grants	1,100,900	1,100,900	1,393,572	292,672
Investment income	13,000	13,000	257,350	244,350
Other income	707,015	707,015	807,702	100,687
Total revenues	13,675,293	13,675,293	14,887,465	1,212,172
Expenditures				
General government				
Mayor's office	15,553	15,553	12,106	3,447
Board of Aldermen	42,219	42,219	42,418	(199)
Municipal court	111,488	111,488	124,656	(13,168)
City clerk's office	192,604	192,604	195,497	(2,893)
Finance department	230,818	230,818	209,652	21,166
City administrator	445,521	445,521	475,162	(29,641)
MIS	159,000	159,000	149,782	9,218
General supporting services	667,095	667,095	797,943	(130,848)
Total general government	1,864,298	1,864,298	2,007,216	(142,918)

(continued on next page)

CITY OF CRESTWOOD, MISSOURI
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts			Positive (Negative)
	Original	Final	Actual	
Expenditures (continued)				
Public works				
General public work services	603,493	603,493	508,608	94,885
Administration services	2,210,670	2,210,670	1,123,552	1,087,118
Maintenance services	1,610,683	1,610,683	1,572,172	38,511
Mechanical services	172,562	172,562	167,815	4,747
Capital improvements	805,106	805,106	624,687	180,419
Total public works	<u>5,402,514</u>	<u>5,402,514</u>	<u>3,996,834</u>	<u>1,405,680</u>
Public safety - police	<u>3,906,499</u>	<u>3,906,499</u>	<u>3,743,129</u>	<u>163,370</u>
Public safety - fire	<u>4,088,858</u>	<u>4,088,858</u>	<u>3,986,154</u>	<u>102,704</u>
Total expenditures	<u>15,262,169</u>	<u>15,262,169</u>	<u>13,733,333</u>	<u>1,528,836</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (1,586,876)</u>	<u>\$ (1,586,876)</u>	1,154,132	<u>\$ 2,741,008</u>
Fund balance, beginning of year			<u>6,501,686</u>	
Fund balance, end of year			<u>\$ 7,655,818</u>	

CITY OF CRESTWOOD, MISSOURI
 BUDGETARY COMPARISON SCHEDULE
 PARKS AND STORMWATER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
Revenues				
Sales/use taxes	\$ 1,350,002	\$ 1,350,002	\$ 1,443,408	\$ 93,406
Charges for services	718,850	718,850	864,191	145,341
Investment income	600	600	28,551	27,951
Grant income	35,000	35,000	-	(35,000)
Other income	12,500	12,500	30,907	18,407
Total revenues	<u>2,116,952</u>	<u>2,116,952</u>	<u>2,367,057</u>	<u>250,105</u>
Expenditures				
Public works				
Stormwater maintenance services	9,500	9,500	8,741	759
Parks maintenance services	492,379	492,379	473,942	18,437
Parks and recreation				
Recreation services	1,175,617	1,175,617	1,038,509	137,108
Aquatic center	706,972	706,972	788,069	(81,097)
Historic facilities	50,600	50,600	59,057	(8,457)
Total expenditures	<u>2,435,068</u>	<u>2,435,068</u>	<u>2,368,318</u>	<u>66,750</u>
Net change in fund balance	<u>\$ (318,116)</u>	<u>\$ (318,116)</u>	(1,261)	<u>\$ 316,855</u>
Fund balance, beginning of year			<u>1,063,845</u>	
Fund balance, end of year			<u>\$ 1,062,584</u>	

CITY OF CRESTWOOD, MISSOURI
 BUDGETARY COMPARISON SCHEDULE
 SEWER LATERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 138,000	\$ 138,000	\$ 135,891	\$ (2,109)
Investment income	700	700	9,583	8,883
Total revenues	<u>138,700</u>	<u>138,700</u>	<u>145,474</u>	<u>6,774</u>
Expenditures				
Public works	138,093	138,093	121,441	16,652
Total expenditures	<u>138,093</u>	<u>138,093</u>	<u>121,441</u>	<u>16,652</u>
Net change in fund balance	<u>\$ 607</u>	<u>\$ 607</u>	24,033	<u>\$ 23,426</u>
Fund balance, beginning of year			<u>369,136</u>	
Fund balance, end of year			<u>\$ 393,169</u>	

CITY OF CRESTWOOD, MISSOURI
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023

NOTE 1 - BUDGETS AND BUDGETARY ACCOUNTING

The City prepares and legally adopts an annual budget for the General Fund, Capital Improvement Fund, Parks and Stormwater Fund and the Sewer Lateral Fund.

Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles.

The Board of Aldermen follow the procedures outlined below in establishing the budgetary data reflected in the accompanying basic financial statements:

- 1) Department heads prepare departmental operating budgets and the Finance Officer makes revenue projections on or before September 15. The Finance Department edits and assembles the data for review.
- 2) The City Administrator and Finance Officer review and revise departmental operating budgets based upon estimated revenue projections and operational priorities.
- 3) At least forty-five days prior to the beginning of each fiscal year, the City Administrator shall submit to the Board of Aldermen a proposed final budget and accompanying written narrative.
- 4) The Ways and Means Committee reviews a preliminary budget approximately three months prior to the new fiscal year to discuss revenue and fund balance projections, and proposed expenditures for all
- 5) Following any recommendations by the Ways and Means Committee, the Board of Aldermen conducts budget work sessions in which board members express their opinions on the proposed budget.
- 6) Based on the Board's recommendations, a budget ordinance is prepared. After a fifteen-day public notice, the Board of Aldermen holds a public hearing to hear taxpayer comments on the proposed
- 7) The budget is then adopted by ordinance.
- 8) Budgeted expenditures cannot legally exceed appropriations at the department level. Revenue estimates are adjusted to reflect any unencumbered or undesignated balance from the previous year.
- 9) During the year, the City Administrator may transfer all or any part of any unencumbered appropriation balance among accounts within a department. The Board of Aldermen may, by motion of the Board, transfer part or all of any unencumbered appropriation balance from one department to another.
- 10) At the end of each budget period, all appropriated balances lapse and may be reappropriated in the next budget period.

CITY OF CRESTWOOD, MISSOURI
SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 312,630	\$ 312,962	\$ 266,120	\$ 259,511	\$ 260,595	\$ 220,408	\$ 187,895	\$ 233,947	\$ 302,490	\$ 297,328
Contributions in relation to the actuarially determined contribution	312,630	312,962	266,120	259,511	243,206	207,121	187,895	233,947	296,525	297,328
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ 17,389	\$ 13,287	\$ -	\$ -	\$ 5,965	\$ -
Covered-employee payroll	\$ 6,020,676	\$ 5,677,920	\$ 5,392,287	\$ 5,176,973	\$ 5,076,050	\$ 4,703,011	\$ 4,535,160	\$ 4,647,296	\$ 4,418,069	\$ 4,214,510
Contributions as a percentage of covered-employee payroll	5.19%	5.51%	4.94%	5.01%	4.79%	4.40%	4.14%	5.03%	6.71%	7.05%

Notes to Schedule

Valuation date:

Actuarially determined contribution rates are calculated as of February 28, 2023 prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal and modified terminal funding
Amortization method	Level percent of payroll, closed
Remaining amortization period	15 years
Asset valuation method	5 years smoothed market; 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 and administrative expenses
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	PubG-2010 Retiree Mortality Table

Other information:

Notes None

CITY OF CRESTWOOD, MISSOURI
SCHEDULE OF CHANGES IN OTHER THAN PENSION POST EMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS

Last 10 Calendar Years

Fiscal year ending December 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total OPEB liability										
Service cost	\$ -	\$ 204,286	\$ -	\$ 126,532	\$ 126,173					
Interest on the total pension liability	-	62,536	-	29,694	19,024					
Difference between expected and actual experience	-	(294,569)	-	1,671,475	(17,573)					
Changes of assumptions and other inputs	-	(384,403)	-	317,917						
Benefit payments and refunds	-	(183,794)	-	(189,255)	(64,850)					
Net change in total OPEB liability	-	(595,944)	-	1,956,363	62,774					
Total OPEB liability - beginning	2,275,313	2,871,257	2,871,257	914,894	852,120					
Total OPEB liability - ending	\$ 2,275,313	\$ 2,275,313	\$ 2,871,257	\$ 2,871,257	\$ 914,894					
Plan Fiduciary Net Position										
Contributions - employer	\$ -	\$ -	\$ -	\$ -	\$ 64,850					
Benefit payments and refunds	-	-	-	-	(64,850)					
Net change in plan fiduciary net position	-	-	-	-	-					
Plan fiduciary net position - beginning	-	-	-	-	-					
Plan fiduciary net position - ending (b)	\$ -	\$ -	\$ -	\$ -	\$ -					
Covered-employee payroll	N/A	\$ 5,380,518	N/A	\$ 4,972,545	\$ 5,116,350					
Net OPEB liability as a percentage of payroll	N/A	42.29%	N/A	57.74%	17.88%					

Notes to schedule:

The December 31, 2022 valuation is the last valuation performed.

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

CITY OF CRESTWOOD, MISSOURI
SCHEDULE OF CONTRIBUTIONS
OTHER POST EMPLOYMENT BENEFIT LIABILITY
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ -	\$ 340,864	\$ -	\$ 253,503	\$ -	\$ 126,173	\$ 136,188	\$ 76,416	\$ 76,416	\$ 76,416
Contributions in relation to the actuarially determined contribution	-	183,794	-	189,255	-	64,850	53,719	56,210	67,667	82,415
Contribution deficiency (excess)	\$ -	\$ 157,070	\$ -	\$ 64,248	\$ -	\$ 61,323	\$ 82,469	\$ 20,206	\$ 8,749	\$ (5,999)
Covered-employee payroll	\$ -	\$ 5,380,518	\$ -	\$ 4,972,545	\$ -	\$ 5,390,184	\$ 4,856,641	\$ 4,743,794	\$ 4,783,533	\$ 4,561,789
Contributions as a percentage of covered-employee payroll	N/A	3.42%	N/A	3.81%	N/A	1.20%	1.11%	1.18%	1.41%	1.81%

Notes to Schedule

Valuation date: December 31, 2022

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Asset valuation method	No assets
Inflation	2.75%
Health care inflation	7.40%
Salary increases	3.00%
Discount rate	4.31%
Retirement age	62 years of age
Mortality	Public Safety - 2010 Mortality Table

Other information:

Notes: None

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

Supplementary Information

CITY OF CRESTWOOD, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL PROGRAM EXPENDITURES
DEPARTMENT OF TRANSPORTATION:			
Passed-through-Missouri Department of Transportation Highway Planning and Construction	20.205	N/A	\$ 96,131
TOTAL HIGHWAY PLANNING AND CONSTRUCTION CLUSTER			<u>96,131</u>
TOTAL DEPARTMENT OF TRANSPORTATION			<u>96,131</u>
US DEPARTMENT OF THE TREASURY:			
Passed-through-St. Louis County, Missouri Coronavirus State and Local Fiscal Recovery Funds (m)	21.027	N/A	977,021
TOTAL US DEPARTMENT OF THE TREASURY			<u>977,021</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,073,152</u>

(m) - Program audited as a major program.

CITY OF CRESTWOOD, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR DECEMBER 31, 2023

NOTE 1 - REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Crestwood, Missouri, and has been prepared using the accrual basis of accounting in accordance with Generally Accepted Accounting Principles. The information in this schedule is also presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 - SUBRECIPIENTS

None of the federal expenditures presented in the schedule were provided to sub-recipients.

NOTE 3 - DESCRIPTIONS OF MAJOR FEDERAL PROGRAM

The objectives of the Coronavirus State and Local Fiscal Recovery Funds is to provide direct payments to local governments to respond to the public health emergency, respond to workers performing essential work during the public health emergency, provide government services, and make necessary investments in water, sewer, or broadband infrastructure.

NOTE 4 - NON-CASH ASSISTANCE

The City received no non-cash assistance.

NOTE 5 - INSURANCE

The federal programs presented in the previous schedule did not have separate program-specific insurance policies.

NOTE 6 - LOANS/LOAN GUARANTEES/INTEREST SUBSIDIES

The federal programs presented in the previous schedule did not have any loans, loan guarantees, or interest subsidies associated with them.

NOTE 7 - DE MINIMIS COST RATE

The City has not elected to use the 10% de minimis indirect cost rate allocation.

Other Information

CITY OF CRESTWOOD, MISSOURI
 BUDGETARY COMPARISON SCHEDULE
 CAPITAL IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 1,147,503	\$ 1,147,503	\$ 1,239,292	\$ 91,789
Investment income	5,000	5,000	29,674	24,674
Other	115,000	115,000	255,901	140,901
Total revenues	<u>1,267,503</u>	<u>1,267,503</u>	<u>1,524,867</u>	<u>257,364</u>
Expenditures				
Public works				
Street maintenance services	1,536,500	1,536,500	1,133,358	403,142
Public safety				
Police	<u>117,000</u>	<u>117,000</u>	<u>121,408</u>	<u>(4,408)</u>
Total expenditures	<u>1,653,500</u>	<u>1,653,500</u>	<u>1,254,766</u>	<u>398,734</u>
Net change in fund balance	<u>\$ (385,997)</u>	<u>\$ (385,997)</u>	270,101	<u>\$ 656,098</u>
Fund balance, beginning of year			<u>962,625</u>	
Fund balance, end of year			<u>\$ 1,232,726</u>	

Federal Compliance
Section

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

To the Board of Alderman
City of Crestwood, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the City of Crestwood, Missouri, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise City of Crestwood, Missouri's basic financial statements, and have issued our report thereon dated April 19, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

F.E.W. CPAs

F.E.W. CPAs
Saint Louis, Missouri
April 19, 2024

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Alderman
City of Crestwood, Missouri

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Crestwood, Missouri's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of The City of Crestwood, Missouri's major federal programs for the year ended December 31, 2023. The City of Crestwood, Missouri's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Crestwood, Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Crestwood, Missouri and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Crestwood, Missouri's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Crestwood, Missouri's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Crestwood, Missouri's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Crestwood, Missouri's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City of Crestwood, Missouri's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Crestwood, Missouri's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Crestwood, Missouri's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

F.E.W. CPAs

F.E.W. CPAs
Saint Louis, Missouri
April 19, 2024

**CITY OF CRESTWOOD, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified? Yes No

Significant deficiencies identified? Yes No

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

Material weaknesses identified? Yes No

Significant deficiencies identified? Yes No

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance Yes No

Identification of major programs:

CFDA Numbers

Name of Federal Program or Cluster

21.027

Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low risk auditee? Yes No

**CITY OF CRESTWOOD, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Section II - Financial Statement Findings

There are no reportable conditions to disclose.

Section III - Federal Award Findings

There are no federal award findings to disclose.

**CITY OF CRESTWOOD, MISSOURI
SCHEDULE OF RESOLUTION OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2023**

There were no prior year audit findings.

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APPENDIX C

FORM OF CONTINUING DISCLOSURE UNDERTAKING

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CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated as of September 1, 2024 (this “*Undertaking*”) is executed and delivered by the **CITY OF CRESTWOOD, MISSOURI** (the “*City*”).

RECITALS

A. This Undertaking is executed and delivered by the City in connection with the issuance of its \$33,340,000* aggregate principal amount General Obligation Bonds, Series 2024 (the “*Bonds*”), pursuant to an ordinance adopted by the Board of Aldermen of the City on August 27, 2024 (the “*Ordinance*”).

B. The City is entering into this Undertaking for the benefit of the Beneficial Owners (as defined herein) of the Bonds and in order to assist the Participating Underwriter (as defined herein) in complying with Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “*Rule*”). The City is the only “obligated person” (as defined by the Rule) with responsibility for continuing disclosure hereunder.

In consideration of the foregoing, the City covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth in the Ordinance, which apply to any capitalized term used in this Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“*Annual Report*” means any Annual Report filed by the City pursuant to, and as described in, **Section 2.**

“*Beneficial Owner*” means any registered owner of any Bonds and any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

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

“*Dissemination Agent*” means any entity designated in writing by the City to serve as dissemination agent pursuant to this Undertaking and which has filed with the City a written acceptance of such designation.

“*EMMA*” means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org.

* Preliminary; subject to change.

“*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 City as its Fiscal Year for financial reporting purposes.

“*Material Events*” means any of the events listed in **Section 3**.

“*MSRB*” means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

“*Participating Underwriter*” means any of the original underwriter(s) of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

Section 2. Provision of Annual Reports.

- (a) The City shall, not later than **210** days after the end of the City’s Fiscal Year, commencing with the Fiscal Year ending December 31, 2024, file with the MSRB, through EMMA, the following financial information and operating data (the “*Annual Report*”):
- (1) The audited financial statements of the City for the prior Fiscal Year prepared in accordance with generally accepted accounting principles. If audited financial statements are not available by the time the Annual Report is required to be filed pursuant to this Section, the Annual Report shall contain unaudited financial statements in a format similar to the audited financial information contained in the final Official Statement relating to the Bonds, and the audited financial statements shall be filed in the same manner as the Annual Report promptly after they become available.
 - (2) Updates as of the end of the Fiscal Year of certain financial information and operating data related to the Bonds, as described in **Exhibit A**, with such modifications to the formatting and general presentation thereof as deemed appropriate by the City; provided, any substantive change to information provided shall be made only in accordance with **Section 6**.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the City is an “obligated person” (as defined by the Rule), which have been filed with the MSRB and are available through EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB on EMMA. The City shall clearly identify each such other document so included by reference.

In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in this Section; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report and later than the date required above for

the filing of the Annual Report if they are not available by that date. If the City's Fiscal Year changes, it shall give notice of such change in the same manner as for a Material Event under **Section 3**.

- (b) The Annual Report shall be filed with the MSRB in such manner and format as is prescribed by the MSRB.

Section 3. Reporting of Material Events. No later than **10** Business Days after the occurrence of any of the following events, the City shall give, or cause to be given, to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Bonds ("*Material Events*"):

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
- (g) modifications to rights of bondholders, if material;
- (h) bond calls, if material, and tender offers;
- (i) defeasances;
- (j) release, substitution or sale of property securing repayment of the Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the City (which shall be deemed to occur as provided in the Rule);
- (m) the consummation of a merger, consolidation or acquisition involving the City or the sale of all or substantially all of the assets of the City, 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 City, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the City, 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 City, any of which reflect financial difficulties.

If the City has not submitted the Annual Report to the MSRB by the date required in **Section 2(a)** hereof, the City shall send a notice to the MSRB of the failure of the City to file in substantially the form attached hereto as **Exhibit B** on a timely basis the Annual Report, which notice shall be given by the City in accordance with this **Section 3**.

Section 4. Termination of Reporting Obligation. The City's obligations under this Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the City's obligations under this Undertaking are assumed in full by some other entity, such entity

shall be responsible for compliance with this Undertaking in the same manner as if it were the City, and the City shall have no further responsibility hereunder. If such assumption occurs prior to the final maturity of the Bonds, the City shall give notice of such assumption in the same manner as for a Material Event under **Section 3** hereof.

Section 5. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Undertaking and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign as dissemination agent hereunder at any time upon **30** days prior written notice to the City. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the City pursuant to this Undertaking.

Section 6. Amendment; Waiver.

(a) Notwithstanding any other provision of this Undertaking, the City may amend this Undertaking and any provision of this Undertaking may be waived, provided that bond counsel or other counsel experienced in federal securities law matters provides the City with its written opinion that the undertaking of the City contained herein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to this Undertaking.

(b) In the event of any amendment or waiver of a provision of this Undertaking, the City shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given in the same manner as for a Material Event under **Section 3**, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Additional Information. Nothing in this Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Undertaking. If the City chooses to include any information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is specifically required by this Undertaking, the City shall have no obligation under this Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

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

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

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

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

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

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, the City has caused this Undertaking to be executed as of the day and year first above written.

CITY OF CRESTWOOD, MISSOURI

By: _____
Scott Shipley, Mayor

**EXHIBIT A
TO CONTINUING DISCLOSURE UNDERTAKING**

**FINANCIAL INFORMATION AND OPERATING DATA TO BE
INCLUDED IN ANNUAL REPORT**

The financial information and operating data relating to the City contained in the tables in the following-described sections of Appendix A to the final Official Statement for the Bonds:

- (a) **“FINANCIAL INFORMATION CONCERNING THE CITY – The General Fund”**
(but only to the extent not otherwise provided under Section 2(a)(1) above);
- (b) **“FINANCIAL INFORMATION CONCERNING THE CITY – Sources of Revenue”**
- (c) **“DEBT STRUCTURE OF THE CITY – Debt Ratios and Related Information”** (but
excluding overlapping indebtedness ratios);
- (d) **“PROPERTY TAX INFORMATION – Property Valuations”**
- (e) **“PROPERTY TAX INFORMATION – Major Property Taxpayers.”**

**EXHIBIT B
TO CONTINUING DISCLOSURE UNDERTAKING**

FORM OF NOTICE OF FAILURE TO FILE ANNUAL REPORT

Issuer/Obligated Person: City of Crestwood, Missouri (the “City”)

**Issues to which this
Notice relates:** General Obligation Bonds, Series 2024 (the “Bonds”)

CUSIP Numbers for Issue to which this Report relates:

<u>Maturity Date</u>	<u>CUSIP Number</u>	<u>Maturity Date</u>	<u>CUSIP Number</u>
2025		2035	
2026		2036	
2027		2037	
2028		2038	
2029		2039	
2030		2040	
2031		2041	
2032		2042	
2033		2043	
2034		2044	

NOTICE IS HEREBY GIVEN that the City has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Undertaking dated as of September 1, 2024 by the City. [The City anticipates that the Annual Report will be provided by _____, 20__.]

For additional information, contact:

Finance Officer
City of Crestwood, Missouri
1 Detjen Drive
Crestwood, Missouri 63126
(314) 729-4792

Date Submitted: [Date]

CITY OF CRESTWOOD, MISSOURI

NOTICE OF BOND SALE

\$33,340,000
CITY OF CRESTWOOD, MISSOURI
GENERAL OBLIGATION BONDS
SERIES 2024

Request for Bids. The City of Crestwood, Missouri (the “City”) will receive bids electronically via **PARITY®** (as more fully described below) for the purchase of \$33,340,000 principal amount of General Obligation Bonds, Series 2024 (the “Bonds”) of the City, herein described, on an all-or-none basis, until 10:00 A.M., Central Time (the “Submittal Time”), on

Thursday, September 5, 2024*

All bids will be read and evaluated at said time, and the award of the Bonds will be made on the sale date.

Terms of the Bonds. The Bonds will consist of fully-registered bonds in the denomination of \$5,000 or any integral multiple thereof.

The Bonds will be dated the date of their initial issuance, which is expected to be September 19, 2024, and will become due in principal installments on March 1 in the years as follows*:

<u>Stated Maturity</u> <u>(March 1)*</u>	<u>Principal</u> <u>Amount*</u>	<u>Stated Maturity</u> <u>(March 1)*</u>	<u>Principal</u> <u>Amount*</u>
2025	\$ 400,000	2035	\$1,645,000
2026	755,000	2036	1,790,000
2027	815,000	2037	1,890,000
2028	930,000	2038	2,050,000
2029	1,000,000	2039	2,165,000
2030	1,125,000	2040	2,340,000
2031	1,205,000	2041	2,465,000
2032	1,335,000	2042	2,660,000
2033	1,415,000	2043	2,800,000
2034	1,550,000	2044	3,005,000

Any bidder electing to designate one or more maturities of term bonds shall specify the current serial bonds by year of maturity which are to comprise the term bonds. The final year designated shall be deemed the year of maturity of the term bonds. Term bonds shall be subject to mandatory sinking fund redemption by lot in the amounts currently specified for the serial bonds, at a redemption price of 100% of the principal amount thereof. For purposes of computing the true interest cost (as hereinafter defined) and awarding the Bonds, the maturity of such term bonds shall be treated as if the amounts subject to mandatory sinking fund redemption are equal to the amounts and mature on the dates currently specified as serial bonds.

* Subject to change as provided under the captions “Pre-Bid Revisions,” “Post-Bid Revisions” and “Alternate Sale Date” herein.

The Bonds will bear interest from the date thereof at rates to be determined when the Bonds are sold as hereinafter provided, which interest will be payable semiannually on March 1 and September 1 in each year, beginning on March 1, 2025.

When issued, the Bonds will be registered in the name of Cede & Co., as Bondowner and nominee for Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry only form in the denomination of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their interest in Bonds purchased. So long as Cede & Co. is the Bondowner, as nominee of DTC, references to the Bondowners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined in the Preliminary Official Statement) of the Bonds. See “**THE BONDS – Book-Entry Only System**” in the Preliminary Official Statement.

The successful bidder must furnish to DTC an underwriter’s questionnaire and must qualify the Bonds, if such qualification is necessary, in the jurisdictions in which it intends to reoffer the Bonds.

Capitalized Terms. Any capitalized terms not defined herein shall have the meanings ascribed for them in the Preliminary Official Statement, hereinafter described.

Place of Payment. UMB Bank, N.A., St. Louis, Missouri, has been designated as the Paying Agent for the Bonds. The principal of each Bond will be payable at maturity or upon earlier redemption to the registered owner upon presentation and surrender of such Bond at the payment office of the Paying Agent. Interest on each Bond will be paid to the Registered Owner of such Bond as shown on the Bond Register at the close of business on the Record Date for such interest (a) by check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Registered Owner or (b) by electronic transfer to such Registered Owner upon written notice given to the Paying Agent by such Registered Owner, not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the name and address of the bank, the bank’s ABA routing number and account number to which such Registered Owner wishes to have such wire directed and an acknowledgment that an electronic transfer fee may be applicable.

Optional Redemption of Bonds. At the option of the City, the Bonds or portions thereof maturing on March 1, 2032 and thereafter may be subject to redemption and payment prior to maturity on March 1, 2031 and thereafter in whole or in part at any time in such order of maturity determined by the City (Bonds of less than a single maturity to be selected in multiples of \$5,000 principal amount), at the redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the redemption date.

Conditions of Bids. Proposals will be received on the Bonds bearing such rate or rates of interest as may be specified by the bidders, subject to the following conditions: The same rate shall apply to all Bonds of the same maturity. Each interest rate specified shall be a multiple of 1/8 or 1/20 of 1%. The interest rate on each maturity shall not exceed 5.00%. No supplemental interest payments will be authorized. No bid shall be for less than 103% or more than 105% of the principal amount of the Bonds. The reoffering price for each maturity shall not be less than 98% of the total principal amount of such maturity. Each bid shall specify the total interest cost (expressed in dollars) during the life of the Bonds on the basis of such bid, the premium, if any, offered by the bidder, and the net interest cost (expressed in dollars) on the basis of such bid and the average annual net interest rate (expressed as a percentage) on the basis of such bid. Each bidder agrees that, if it is awarded the Bonds, it will (1) assist the City with establishing the issue price of the Bonds as described under the caption “Establishment of Issue Price,”

(2) timely make the Deposit (as defined and described under the caption “Good Faith Deposit”) and (3) timely provide the initial offering prices of the Bonds described under the caption “Offering Prices.”

Basis of Award. The award of the Bonds will be made on the basis of the lowest true interest cost (“TIC”) as follows: the TIC is the discount rate (expressed as a per-annum percentage rate) which when used in computing the present value of all payments of principal and interest on the Bonds, from the payment dates to the date of the Bonds, produces an amount equal to the price bid, but excluding interest accrued to the date of delivery. Present value shall be computed on the basis of semiannual compounding and a 360-day year of twelve 30-day months. If two or more proper bids providing for identical amounts for the lowest true interest cost are received, the City in its sole discretion shall determine which bid, if any, shall be accepted, and its determination shall be final.

Pre-Bid Revisions. The City reserves the right to issue a Supplemental Notice of Bond Sale not later than 48 hours prior to the sale date via **PARITY**[®] and MuniHub (“Supplemental Notice”). If issued, the Supplemental Notice may modify (1) the maturity amounts and/or maturity dates of the Bonds and/or (2) such other terms of this Notice as the City determines. Any such modifications will supersede the maturities and such other terms as set forth herein.

Post-Bid Revisions. After bids are received on the sale date, the City may, in its discretion, revise the maturities of the Bonds; provided, that the principal amount of any maturity shall not be increased or decreased by an amount in excess of 20% and the aggregate principal amount of the Bonds shall not be increased. **The successful bidder may neither withdraw nor modify its proposal as a result of any post-bid revisions to the Bonds made by the City.**

Alternative Sale Date. The City reserves the right to cancel or postpone, from time to time, the date or time established for the receipt of bids. In such event, the cancellation or postponement will be announced via **PARITY**[®] and MuniHub at least 48 hours prior to the time established for the receipt of bids. Following a postponement, a new date and time of sale will be announced via **PARITY**[®] and MuniHub at least 48 hours prior to the time bids are to be submitted. On such alternative sale date, bidders shall submit bids for the purchase of the Bonds in conformity with the provisions of this Notice of Bond Sale, subject to any pre-bid revisions announced via **PARITY**[®] and MuniHub as provided under the caption “Pre-Bid Revisions” herein.

Authority, Purpose and Security. The Bonds are being issued pursuant to the Constitution and laws of the State of Missouri, and the City’s Charter, for the purpose of providing funds to construct and improve aquatic centers in the City and pay the costs of issuing the Bonds. The Bonds and the interest thereon will constitute general obligations of the City, payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all of the taxable tangible property, real and personal, within the territorial limits of the City.

Ratings. S&P Global Ratings, a division of S&P Global, Inc., has assigned the Bonds the rating of “AAA.” Any explanation as to the significance of such rating may only be obtained from such rating agency.

Legal Opinion. The Bonds will be sold subject to the approving legal opinion of Gilmore & Bell, P.C., St. Louis, Missouri, Bond Counsel, which opinion will be furnished and paid for by the City and delivered to the successful bidder when the Bonds are delivered. Said opinion will also include the opinion of Bond Counsel relating to the exclusion of the interest on the Bonds from gross income for federal and Missouri income tax purposes. Reference is made to the Preliminary Official Statement for further discussion of federal and Missouri income tax matters relating to the interest on the Bonds.

Establishment of Issue Price (Bidders Should Expect that the Competitive Sale Requirements Will be Satisfied - Bids Cancelled if Hold-the-Offering-Price Rule to Apply Unless Bidder Confirms its Bid).

(a) The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at Closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as **Exhibit A**, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the City and Bond Counsel. All actions to be taken by the City under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the City by the City’s municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City’s municipal advisor.

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “competitive sale requirements”) because:

- the City will disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- all bidders will have an equal opportunity to bid;
- the City expects to receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- the City expects to award the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid. As described in more detail in the following paragraphs, if the competitive sale requirements are not satisfied AND the City determines to apply the Hold-The-Offering-Price Rule (as described in the following paragraph) to any maturity of the Bonds, all bids shall be cancelled and deemed withdrawn, UNLESS the prospective winning bidder affirmatively confirms its bid and agrees to comply with the Hold-The-Offering-Price Rule, in the manner described below.

Bidders should prepare their bids on the assumption that the City will determine the issue price of the Bonds either based on the reasonably expected initial offering price to the public or by application of the 10% Test. No bidder will be required to comply with the Hold-The-Offering-Price Rule in connection with the initial sale of the Bonds to the public unless the bidder has confirmed its bid and agreed to comply with the Hold-The-Offering-Price Rule, as described below.

Paragraphs (c) through (g) below shall apply only if the competitive sale requirements are not satisfied.

(c) If the competitive sale requirements are not satisfied, the City shall so advise the prospective winning bidder prior to awarding the Bonds. The City may determine to treat (i) the price at which the first 10% of each maturity of the Bonds (the “10% Test”) is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the

Bonds as the issue price of that maturity (the “Hold-The-Offering-Price Rule”), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The prospective winning bidder shall advise the City if any maturity of the Bonds satisfies the 10% Test as of the date and time of the award of the Bonds. The City shall promptly advise the prospective winning bidder, at or before the time of award of the Bonds, which maturities (and if different interest rates apply within a maturity, which separate CUSIP number within that maturity) of the Bonds shall be subject to the 10% Test or shall be subject to the Hold-The-Offering-Price Rule.

(d) *If the City has determined to apply the Hold-The-Offering-Price Rule to any maturity of the Bonds, no award shall be made to the prospective winning bidder and all bids shall be cancelled and deemed withdrawn unless and until the prospective winning bidder has affirmatively confirmed its bid and agreed to comply with the Hold-The-Offering-Price Rule. The prospective winning bidder must provide that confirmation to the City no later than 90 (ninety) minutes after receiving notification that the City has determined to apply the Hold-The-Offering-Price Rule to any maturity of the Bonds. Such confirmation may be provided orally, but must be promptly confirmed in writing.*

If the prospective winning bidder does not provide its confirmation within the required time period, the prospective winning bidder’s bid shall be cancelled and deemed to be withdrawn. The City thereupon may award the Bonds to another bidder, provided that the new prospective winning bidder confirms its bid and agrees to comply with the Hold-The-Offering-Price Rule, or the City may cancel the sale of the Bonds, as set forth in this Notice of Sale. *If the City has determined to apply the 10% Test to all maturities of the Bonds, no bids shall be cancelled or deemed withdrawn and the City shall award the Bonds in accordance with this Notice of Sale.*

(e) If the City has determined to apply the Hold-The-Offering-Price Rule to any maturity of the Bonds and the winning bidder has confirmed its bid and its agreement to comply with the Hold-The-Offering-Price Rule, the winning bidder shall also confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder. The winning bidder further shall agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the Hold-The-Offering-Price Rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- the close of the fifth (5th) business day after the sale date; or
- the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the City when the underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

(f) Until the 10% Test has been satisfied as to each maturity of the Bonds, the winning bidder agrees to promptly report to the City the prices at which the unsold Bonds of that maturity have been sold to the public. At or promptly after the award of the Bonds, the winning bidder shall report to the City the price at which it has sold to the public the Bonds of each maturity sufficient to satisfy the 10% Test. If as of the award of the Bonds the 10% Test has not been satisfied as to any maturity of the Bonds, the winning bidder agrees to promptly report to the City the prices at which it subsequently sells Bonds of that maturity to the public until the 10% Test is satisfied. In either case, if Bonds constituting

the first 10% of a certain maturity are sold at different prices, the winning bidder shall report to the City the prices at which Bonds of such maturity are sold until the winning bidder sells 10% of the Bonds of such maturity at a single price. The winning bidder's reporting obligation shall continue as set forth above, whether or not the Closing Date has occurred.

(g) The City acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the Hold-The-Offering-Price Rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) if a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the Hold-The-Offering-Price Rule, as set forth in a selling group agreement and the related pricing wires, and (iii) if an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the Hold-The-Offering-Price Rule, as set forth in the retail distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the Hold-The-Offering-Price Rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the Hold-The-Offering-Price Rule as applicable to the Bonds.

(h) By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the Hold-The-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the Hold-The-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

(i) Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (i) "public" means any person other than an underwriter or a related party,
- (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including

a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

- (iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) “sale date” means the date that the Bonds are awarded by the City to the winning bidder.

Delivery and Payment. The City will pay for printing the Bonds and will deliver the Bonds to DTC (or to the Paying Agent as DTC’s “FAST” agent), properly prepared, executed and registered, without cost to the successful bidder within 30 days after the date of sale. The successful bidder will also be furnished with a certified transcript of the proceedings evidencing the authorization and issuance of the Bonds and the usual closing documents, including a certificate that there is no litigation pending or threatened at the time of delivery of the Bonds affecting their validity and a certificate regarding the completeness and accuracy of the Official Statement (including a statement 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 therein, in the light of the circumstances under which they were made, not misleading). Payment for the Bonds shall be made in federal reserve funds, immediately available for use by the City. The City will deliver Bonds in the denomination of each maturity registered in the name of DTC or its agent.

Good Faith Deposit. The apparent winning bidder of the Bonds (the “Purchaser”) is required to submit a good faith deposit (the “Deposit”) in the form of an electronic transfer of federal reserve funds immediately available for use by the City, pursuant to wire instructions that will be provided to the winning bidder, in the amount of \$650,000, no later than two hours after the Submittal Time. If the electronic transfer is not received at the time indicated above, the City will abandon its plan to award to such Purchaser, and will contact the next lowest bidder received and offer said bidder the opportunity to become the Purchaser, on the terms as outlined in said bidder’s bid, so long as said bidder submits a good faith electronic transfer within two hours of the time offered. The City will not award the Bonds to the Purchaser absent receipt of the Deposit prior to action awarding the Bonds. No interest on the Deposit will accrue to the Purchaser. The Deposit will be applied to the purchase price of the Bonds. If the Purchaser fails to honor its bid, the Deposit will be retained by the City as full and complete liquidated damages.

CUSIP Numbers. CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of this Notice. All expenses in relation to the assignment and printing of CUSIP numbers on the Bonds will be paid by the City.

Bids. Each proposal must be submitted via **PARITY**[®] in accordance with this Notice of Bond Sale, until 10:00 a.m., Central Time, on September 5, 2024. To the extent any instructions or directions set forth in **PARITY**[®] conflict with this Notice of Bond Sale, the terms of this Notice of Bond Sale shall control. Electronic bids via **PARITY**[®] must be submitted in accordance with its Rules of Participation, as well as the provisions of this Notice of Bond Sale. Bids for the Bonds must be received prior to the Submittal Time. The City shall not be responsible for any failure, misdirection or error in the means of transmission selected by any bidder. Bids received after the Submittal Time will not be considered. The City reserves the right to waive irregularities and to reject any or all bids.

PARITY[®]. Information about the electronic bidding services of **PARITY**[®] may be obtained from i-Deal LLC at 1359 Broadway, 2nd Floor, New York, NY 10018 (tel: (800/850-7422) and from the following website: www.newissuehome.i-deal.com.

Preliminary Official Statement and Official Statement. The City has prepared a Preliminary Official Statement, electronic copies of which may be obtained from the Director of Finance or from the Municipal Advisor. The City has deemed the Preliminary Official Statement to be “final” as of its date for purposes of Rule 15c2-12(b)(1) of the Securities and Exchange Commission, except for the omission of certain information as permitted by Rule 15c2-12(b)(1).

Upon the sale of the Bonds, the City will adopt the final Official Statement and will furnish the successful bidder with an electronic copy of such Official Statements within seven business days of the acceptance of the successful bidder’s proposal in order to comply with Rule 15c2-12(b)(4) of the Securities and Exchange Commission and Rule G-32 of the Municipal Securities Rulemaking Board. The City’s acceptance of the successful bidder’s proposal for the purchase of the Bonds shall constitute a contract between the City and such successful bidder for purposes of said Rules. Additional copies may be ordered by the successful bidder at its expense.

Continuing Disclosure. The City will agree in the ordinance authorizing the Bonds (the “Bond Ordinance”) to comply with and carry out all of the provisions of the Continuing Disclosure Undertaking, under which the City covenants to provide, in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the “Rule”) and as described in greater detail in the Preliminary Official Statement under the caption “CONTINUING DISCLOSURE,” the following information with the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access system: (1) certain annual financial information and operating data, including audited financial statements for the prior fiscal year, and (2) notice of the occurrence of certain material events with respect to the City and/or the Bonds. Such information shall be made available not later than 180 days following the end of each fiscal year of the City, commencing with the fiscal year ending December 31, 2024. Such notice shall be given within 10 business days after the occurrence of any of the material events. The City’s prior compliance with its continuing disclosure obligations is described in the Preliminary Official Statement under the caption “CONTINUING DISCLOSURE – Prior Compliance.”

Additional Information. Additional information regarding the Bonds may be obtained from the Municipal Advisor, Ms. Hannah Snyder, Piper Sandler & Co., 11635 Rosewood Street, Leawood, Kansas 66211 (913-345-3302).

DATED this 22nd day of August, 2024.

CITY OF CRESTWOOD, MISSOURI

By: /s/ Sara Fleming
Finance Officer

EXHIBIT A

UNDERWRITER'S RECEIPT FOR BONDS AND CLOSING CERTIFICATE

\$ _____
City of Crestwood, Missouri
General Obligation Bonds
Series 2024

The undersigned, on behalf of [*Underwriter*] (the “Original Purchaser”), as the original purchaser and underwriter of the above-referenced bonds (the “Bonds”), being issued on the date of this Certificate by the City of Crestwood, Missouri (the “City”), hereby certifies and represents as follows:

1. Receipt for Bonds. The Original Purchaser acknowledges receipt on the date hereof of all of the Bonds, consisting of fully-registered Bonds in authorized denominations in a form acceptable to the Original Purchaser.

2. Issue Price.

(a) *Public Offering.* The Original Purchaser offered all of the Bonds to the Public in a bona fide initial offering.

(b) *Reasonably Expected Initial Offering Price.* As of the sale date of the Bonds (September 5, 2024), the reasonably expected initial offering prices of the Bonds to the Public by the Original Purchaser are the prices listed in **Schedule A** (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Original Purchaser in formulating its bid to purchase the Bonds.

(c) *Defined Terms.*

(i) The term “Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(ii) The term “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” is defined in U.S. Treasury Regulation § 1.150-1(b) which generally provides that the term related party means any two or more persons who have a greater than 50 percent common ownership, directly or indirectly.

(iii) The term “Underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this Certificate represents the Original Purchaser’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations

thereunder. The undersigned understands that the certifications contained herein will be relied upon by the City in executing and delivering the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, by Piper Sandler & Co., Municipal Advisor to the City, in executing the Certificate of Municipal Advisor relating to the Bonds, and by Gilmore & Bell, P.C., Bond Counsel, in rendering its opinion relating to the exclusion from federal gross income of the interest on the Bonds and other federal income tax advice that it may give to the City from time to time relating to the Bonds.

DATED: September 19, 2024.

[*UNDERWRITER*]

By: _____
Name: _____
Title: _____

Schedule A

Expected Offering Prices

[Attach Initial Offering Prices Used in Formulating Bid]