

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 3, 2025

NEW ISSUE
BOOK-ENTRY ONLY
BANK-QUALIFIED

S&P RATINGS: Program Rating: AA+
District Underlying Rating: A
See "RATINGS" herein.

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the District, 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 are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. Bond Counsel notes that interest on the Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. See "TAX MATTERS" in this Official Statement.



\$2,950,000
WELLINGTON-NAPOLEON R-IX SCHOOL DISTRICT
GENERAL OBLIGATION SCHOOL BUILDING BONDS
(MISSOURI DIRECT DEPOSIT PROGRAM)
SERIES 2025

Dated: Date of Issuance

Due: March 1, as shown below

The Bonds will be issued as fully registered bonds and will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. The Bonds will be available for purchase in denominations of \$5,000 or any integral multiple thereof, under the book-entry system maintained by DTC. DTC will receive all payments with respect to the Bonds from UMB Bank, N.A., Kansas City, Missouri, as paying agent for the Bonds. DTC is required to remit such payments to DTC Participants for subsequent disbursement to the beneficial owners of the Bonds. Semiannual interest will be payable on March 1 and September 1, beginning on March 1, 2026*.

The Bonds and the interest thereon will constitute general obligations of Wellington-Napoleon R-IX School District (the "District"), payable 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 District.

The Bonds or portions thereof are subject to optional [and mandatory] redemption prior to maturity as more fully described herein. See the caption "THE BONDS – Redemption Provisions" herein.

MATURITY SCHEDULE: SEE INSIDE FRONT COVER

The Bonds are offered when, as and if issued by the District, subject to the approval of legality by Gilmore & Bell, P.C., Kansas City, Missouri, Bond Counsel. Certain legal matters related to the Official Statement will be passed upon by Gilmore & Bell, P.C., Kansas City, Missouri. It is expected that the Bonds will be available for delivery in book-entry form through DTC, New York, New York on or about _____, 2025.

RAYMOND JAMES®

The date of this Official Statement is _____, 2025.

* Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

\$2,950,000
WELLINGTON-NAPOLEON R-IX SCHOOL DISTRICT
GENERAL OBLIGATION SCHOOL BUILDING BONDS
(MISSOURI DIRECT DEPOSIT PROGRAM)
SERIES 2025

MATURITY SCHEDULE*
BASE CUSIP: 506228

SERIAL BONDS

Maturity	Principal	Interest		
<u>March 1</u>	<u>Amount*</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP</u>
2036	\$165,000			
2037	190,000			
2038	215,000			
2039	240,000			
2040	270,000			
2041	300,000			
2042	335,000			
2043	370,000			
2044	410,000			
2045	455,000			

* Preliminary; subject to change. Serial maturities may be aggregated into one or more term certificates with mandatory sinking fund payments per the serial maturity schedule.

(THIS PAGE LEFT BLANK INTENTIONALLY)

WELLINGTON-NAPOLEON R-IX SCHOOL DISTRICT

800 Highway 131
Wellington, Missouri 64097
(816) 240-2621

BOARD OF EDUCATION

Mike Zykan, President & Member
David Twente, Vice President & Member
Jeremy Ahmann, Treasurer & Member
Lorin Fahrmeier, Member
Clint Osborn, Member
Melissa Register, Member
Diane Rukavina, Member

Elaine Burnett, Secretary

ADMINISTRATION

Dr. Brad Briscoe, Superintendent

UNDERWRITER

Raymond James & Associates, Inc.
Leawood, Kansas

BOND & DISCLOSURE COUNSEL

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

CERTIFIED PUBLIC ACCOUNTANTS

Westbrook & Co., P.C.
Richmond, Missouri

REGARDING USE OF THIS OFFICIAL STATEMENT

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

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

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

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

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

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

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

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

TABLE OF CONTENTS

	<u>Page</u>	<u>Page</u>
INTRODUCTION	1	
Purpose of the Official Statement.....	1	
The District.....	1	
Purpose of the Bonds	1	
Security and Source of Payment.....	1	
Other Outstanding Obligations Payable	2	
Financial Statements	2	
Continuing Disclosure Information	2	
Compliance with Prior Undertakings Under the Rule	2	
Bond Ratings	2	
PLAN OF FINANCING	3	
Authorization of the Bonds.....	3	
The Projects.....	3	
Sources and Uses of Funds	3	
THE BONDS	4	
General Description	4	
Book-Entry Only System.....	4	
Registration, Transfer and Exchange of Bonds	4	
Redemption Provisions	5	
SECURITY AND SOURCES OF PAYMENT FOR THE BONDS	6	
General	6	
Direct Deposit of State Aid Payments.....	6	
RISK FACTORS AND INVESTMENT CONSIDERATIONS	7	
Ad Valorem Property Taxes	7	
Senior Property Tax Credit Program	8	
Secondary Market Prices and Liquidity	8	
No Reserve Fund or Credit Enhancement.....	8	
Ratings.....	8	
Bankruptcy	9	
Pensions.....	9	
Enrollment.....	9	
Amendment of the Bond Resolution	10	
Loss of Premium from Redemption	10	
Tax-Exempt Status and Risk of Audit.....	10	
Adverse Tax Legislation.....	10	
Defeasance Risks	11	
Cybersecurity Risks	11	
Risks Relating to COVID-19.....	11	
LEGAL MATTERS	12	
Legal Proceedings	12	
Approval of Legality	12	
TAX MATTERS	12	
Opinion of Bond Counsel	12	
Other Tax Consequences	13	
RATINGS	14	
MISCELLANEOUS	15	
Underwriting	15	
Certain Relationships	15	
		Certification and Other Matters Regarding Official Statement 15 Additional Information 15 APPENDIX A: General, Economic and Financial Information of the District APPENDIX B: Audited Financial Statements with Independent Auditors' Report for the Fiscal Year Ended June 30, 2024 APPENDIX C: Form of Continuing Disclosure Undertaking APPENDIX D: Book-Entry Only System

BOND ISSUE SUMMARY

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

District:	Wellington-Napoleon R-IX School District
Issue:	\$2,950,000 General Obligation School Building Bonds (Missouri Direct Deposit Program), Series 2025
Dated Date:	Date of issuance of the Bonds
Interest Payment Dates:	March 1 and September 1, beginning March 1, 2026*
Principal Due:	Serial Bonds are due on March 1 in the years 2036* through 2045*, inclusive, as detailed on the inside cover page of this Official Statement. [*Term Bonds are due on March 1 in the years 20__ and 20__, as detailed on the inside cover page of this Official Statement, subject to mandatory sinking fund redemption prior to maturity as described herein.*]
Optional Redemption:	The Bonds are subject to optional redemption on March 1, 2032* and at any time thereafter, in whole or in part, at a redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the redemption date.
Authorization:	The Bonds are authorized by a resolution of the Board of Education of the District 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 Chapters 108 and 164 of the Revised Statutes of Missouri, as amended.
Security:	The Bonds will be general obligations of the District and will be payable from ad valorem taxes which may be levied without limitations as to rate or amount upon all taxable property, real and personal, within the territorial limits of the District. See also the caption “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” herein.
Credit Rating:	S&P Global Ratings (“S&P”) has assigned the Bonds the rating of “AA+” conditioned upon the execution and delivery of the Direct Deposit Agreement described under the caption “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Direct Deposit of State Aid Payments.” In addition, S&P has assigned the Bonds an underlying rating of “A” based on S&P’s evaluation of the credit worthiness of the District.
Purpose:	The Bonds are being issued for the purpose of financing capital improvements in the District, as further described under the caption “PLAN OF FINANCING – The Projects.”
Tax Exemption:	Gilmore & Bell, P.C., Bond Counsel, will provide an opinion as to the tax exemption of the Bonds as discussed under “TAX MATTERS” in this Official Statement.
Bank Qualification:	The Bonds are “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.
Paying Agent:	UMB Bank, N.A., Kansas City, Missouri
Book-Entry Form:	The Bonds will be registered in the name of Cede & Co. as nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository of the Bonds.

* Preliminary; subject to change.

OFFICIAL STATEMENT

\$2,950,000
WELLINGTON-NAPOLEON R-IX SCHOOL DISTRICT
GENERAL OBLIGATION SCHOOL BUILDING BONDS
(MISSOURI DIRECT DEPOSIT PROGRAM)
SERIES 2025

INTRODUCTION

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

Purpose of the Official Statement

The purpose of this Official Statement is to furnish information relating to (1) Wellington-Napoleon R-IX School District (the “**District**”), and (2) the General Obligation School Building Bonds (Missouri Direct Deposit Program), Series 2025 (the “**Bonds**”) of the District, dated the date of their issuance and delivery, to be issued in the principal amount of \$2,950,000.

The District

The District is a school district and political subdivision organized and existing under the laws of the State of Missouri (the “**State**”). For general, economic and financial information about the District, see **Appendix A** to this Official Statement.

Purpose of the Bonds

The Bonds are being issued for the purpose of paying the costs of (1) constructing, improving, repairing, renovating, furnishing and equipping school facilities and sites, including but not limited to, District safety and security upgrades, including installing multi-layered secured entryways, secure fencing, and constructing covered canopies / walkways; HVAC system improvements and automation controls; renovations to the library media center and weightroom; technology upgrades throughout the District; and improvements to District facilities, gymnasiums, and athletic complex (the “**Projects**”), as further described under the caption “**PLAN OF FINANCING – The Projects**,” and (2) issuing the Bonds. The Bonds were authorized at an election held in the District on April 8, 2025 (the “**Bond Election**”). See the caption “**PLAN OF FINANCING – Authorization of the Bonds**” herein.

Security and Source of Payment

The Bonds will be general obligations of the District and will be payable from ad valorem taxes which may be levied without limitations as to rate or amount upon all taxable property, real and personal, within the territorial limits of the District. In addition, the District will enter into a Direct Deposit Agreement (hereinafter defined), whereby the District will pledge its State Aid to the payment of the Bonds. The Direct Deposit Agreement will require that a portion of the District’s State Aid payments be transferred directly to the Deposit Trustee (hereinafter defined) which will, in turn, transfer amounts as needed to the paying agent for the Bonds in order to provide for payment of debt service on the Bonds. See also the caption “**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS**” herein.

Other Outstanding Obligations Payable

In addition to the Bonds, the District is obligated to meet from ad valorem taxes the principal and interest requirements on the District's other general obligation bonds as set forth in *Appendix A* to this Official Statement under **"DEBT STRUCTURE OF THE DISTRICT – Current Long-Term General Obligation Indebtedness."** In addition, the District has outstanding lease financing as set forth in *Appendix A* to this Official Statement under the caption **"DEBT STRUCTURE OF THE DISTRICT – Other Long-Term Obligations of the District."**

Financial Statements

Audited financial statements of the District, as of and for the year ended June 30, 2024, are included in *Appendix B* to this Official Statement. These financial statements have been audited by Westbrook & Co., P.C., Richmond, Missouri, independent certified public accountants, to the extent and for the period indicated in the Independent Auditors' Report which is also included in *Appendix B* to this Official Statement.

Continuing Disclosure Information

Pursuant to a Continuing Disclosure Undertaking dated as of [_____, 2025] (the **"Continuing Disclosure Undertaking"**), the District has agreed to provide certain annual financial information, operating data and notices of certain events to the Municipal Securities Rulemaking Board via the Electronic Municipal Market Access system (**"EMMA"**), in accordance with Rule 15c2-12 (the **"Rule"**) promulgated by the Securities and Exchange Commission. See *Appendix C: "Form of Continuing Disclosure Undertaking."*

The District has previously approved written procedures to promote compliance with the District's continuing disclosure undertakings for all taxable, tax-exempt and other tax-advantaged obligations of the District after issuance of such bonds and obligations.

Compliance with Prior Undertakings Under the Rule

The District believes it has complied during the past five years with its prior undertakings under the Rule.

Bond Ratings

The District has received the ratings set forth on the cover page from S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC (**"S&P"**) on this issue. See the caption **"RATINGS"** herein. Such ratings reflect only the views of S&P, and an explanation of the significance of such rating may be obtained therefrom. There is no assurance that the ratings will remain in effect for any given period of time or that the ratings will not be revised, either downward or upward, or withdrawn entirely, by S&P if, in its judgment, circumstances warrant. Any such downward revisions or withdrawal of the ratings may have an adverse effect on the market price of the Bonds.

PLAN OF FINANCING

Authorization of the 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 Chapters 108 and 164 of the Revised Statutes of Missouri, as amended. The Bonds are being issued pursuant to a resolution of the Board of Education of the District (the “**Bond Resolution**”). Issuance of the Bonds was approved by 57.7% (156 to 114) of the qualified voters of the District voting at the Bond Election.

The Projects

Proceeds of the Bonds will be used for the purpose of financing the costs of constructing, improving, repairing, renovating, furnishing and equipping school facilities and sites, including but not limited to, District safety and security upgrades, including installing multi-layered secured entryways, secure fencing, and constructing covered canopies / walkways; HVAC system improvements and automation controls; renovations to the library media center and weightroom; technology upgrades throughout the District; and improvements to District facilities, gymnasiums, and athletic complex. Construction of the improvements will begin by June, 2025, and they are estimated to be completed by August, 2026.

Various projects to be completed with proceeds of the Bonds are described in additional detail as follows:

- *Safety & Security Improvements* – Redesign of two main office entry vestibules; installation of three covered canopies and a covered walkway; replacement of exterior doors.
- *HVAC Improvements* – Repair and replacement of HVAC systems and controls.
- *Building Renovations and Improvements* – Renovation and improvements to the Middle School/High School library, gymnasiums and athletic field; flooring replacement and upgrades; updates to electrical systems and HVAC automation controls; renovation of weight room.
- *Technology Upgrades* – Installation of classroom technology improvements throughout the District.

Sources and Uses of Funds

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

Sources of Funds:

Par Amount of the Bonds	\$2,950,000
Reoffering Premium	
Total	

Uses of Funds:

Deposit to Capital Projects Fund	\$
Costs of issuance for the Bonds**	
Total	<u>\$</u>

* Preliminary; subject to change.

** Including Underwriter's discount.

THE BONDS

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

General Description

The Bonds will be issued in the principal amount shown on the cover page, will be dated the date of their issuance, and will consist of fully registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof. The Bonds will mature on March 1 in the years and in the principal amounts shown on the cover page of this Official Statement. Interest on the Bonds will be payable semiannually on March 1 and September 1 in each year, beginning on March 1, 2026*.

Interest will be paid to the registered owners of the Bonds as shown on the registration books maintained by UMB Bank, N.A., Kansas City, Missouri (the “**Paying Agent**”) at the close of business on the “**Record Date**” for payment of such interest, which Record Date is the 15th day (whether or not a business day) of the calendar month next preceding an interest payment date, (a) by check or draft mailed by the Paying Agent to the address of such registered owners shown on the registration books of the Paying Agent, or (b) in the case of an interest payment to DTC or any successor securities depository or any registered owners of \$500,000 or more in the aggregate principal amount of Bonds, 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 wire transfer address (which shall be in the continental United States) including the bank ABA routing number and account number to which such registered owner wishes to have such transfer directed. While the Bonds remain in book-entry only form, payments to Beneficial Owners (as defined herein) are governed by the rules of DTC as described in *Appendix D* to this Official Statement. If DTC ceases to act as securities depository for the Bonds, payment may be made as described in the Bond Resolution.

Book-Entry Only System

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

Registration, Transfer and Exchange of Bonds

The District 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 as provided in the Bond Resolution. Upon surrender of any Bond at the principal payment office of 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. 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 the Bond Resolution. The District shall pay the fees and expenses of the Paying Agent for the registration, transfer and exchange of Bonds provided for by the Bond Resolution 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. In the event any Registered Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Registered Owner sufficient to pay any governmental charge required to be paid as a result of such failure.

The District and the Paying Agent shall not be required to register the transfer or exchange of any Bond (a) after notice calling such bond or portion thereof for redemption has been mailed by the Paying Agent pursuant to the Bond Resolution and during the period of 15 days next preceding the date of mailing of such notice of redemption; or (b) during a period beginning at the opening of business on the day after receiving written notice from the District of its intent to pay defaulted interest and ending at the close of business on the date fixed for the payment of defaulted interest pursuant to the Bond Resolution.

Redemption Provisions

Optional Redemption. At the option of the District, the Bonds or portions thereof maturing on March 1, 20__, and thereafter, may be called for redemption and payment prior to their stated maturity on March 1, 20__, and at any time thereafter, in whole or in part in such amounts for each stated maturity as determined by the District at the redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the redemption date.

[Mandatory Sinking Fund Redemption. The Bonds are subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements of the Bond Resolution on such dates and in such principal amounts shown below at a redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the redemption date.

Term Bonds Maturing on March 1, 20__

Year

Principal Amount

Term Bonds Maturing on March 1, 20__

Year

Principal Amount

Term Bonds Maturing on March 1, 20__

Year

Principal Amount

*Final Maturities]

Selection of Bonds to be Redeemed. When less than all Bonds are to be redeemed, such Bonds shall be redeemed from maturities selected by the District, and Bonds of less than a full maturity shall be selected by the Paying Agent in multiples of \$5,000 principal amount by lot or in such other equitable manner as the Paying Agent may determine.

Notice and Effect of Call for Redemption. Unless waived by any Registered Owner of Bonds to be redeemed, official notice of any redemption shall be given by the Paying Agent on behalf of the District by mailing a copy of an official redemption notice by first class mail at least 20 days prior to the redemption date to the State Auditor of Missouri, the Underwriter and each Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register. 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 District defaults in the payment of the redemption price) such Bonds or portion of Bonds shall cease to bear interest. The failure of any Registered Owner to receive the foregoing notice or any defect therein shall not invalidate the effectiveness of the call for redemption.

So long as DTC is effecting book-entry transfers of the Bonds, the Paying Agent shall provide the notices specified above to DTC. It is expected that DTC will, in turn, notify the DTC Participants and that the DTC Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of DTC or a

DTC 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 DTC Participant or otherwise) to notify the Beneficial Owner of the Bond so affected, shall not affect the validity of the redemption of such Bond.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

Pledge of Full Faith and Credit. The Bonds will constitute general obligations of the District 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 District. The full faith, credit and resources of the District 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 Bond Resolution, there is levied upon all of the taxable tangible property within the District 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 become 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 District are levied and collected. Except as otherwise provided in the section below captioned **“Direct Deposit of State Aid Payments,”** 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 District 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.

Direct Deposit of State Aid Payments

Pursuant to Section 360.111 of the Revised Statutes of Missouri and related statutes (the **“Deposit Law”**), the State of Missouri (the **“State”**) will transfer to a Missouri bank, as direct deposit trustee (the **“Deposit Trustee”**), a portion of the District’s State aid payments and distributions normally used for operational purposes (**“State Aid”**) in order to provide for payment of debt service on the Bonds. On the date of issuance of the Bonds, the District will enter into a Direct Deposit Agreement (the **“Direct Deposit Agreement”**) with the Office of the Treasurer of the State of Missouri (**“Treasurer’s Office”**), the Department of Elementary and Secondary Education of the State of Missouri (**“DESE”**), the Health and Educational Facilities Authority of the State of Missouri (the **“Authority”**) and the Deposit Trustee. Under the Direct Deposit Agreement, the District will pledge its State Aid to the payment of the Bonds. The Direct Deposit Agreement will provide that one-fifth (1/5) of the annual debt service to be paid on the Bonds during the bond year ending on March 1, 2026, will be deposited with the Deposit Trustee in each of the five (5) months of August, 2025 through December, 2025; and one-tenth (1/10) of the annual debt service to be paid on the Bonds during the bond year ending March 1, 2027 will be deposited with the Deposit Trustee in each of the ten (10) months of March, 2026 through December, 2026, and for each bond year thereafter, one-tenth (1/10) of the annual debt service due on the Bonds in each succeeding bond year will be deposited with the Deposit Trustee in each succeeding ten (10) similar months (March through December) so long as the Bonds are outstanding. Amounts of State Aid to the District in excess of the amounts required to be deposited with the Deposit Trustee will be transferred directly to the District as has historically been the case with all State Aid.

Each month, pursuant to the terms of the Direct Deposit Agreement, DESE will advise the Treasurer’s Office of the amount of the District’s State Aid to be deposited with the Deposit Trustee for the purpose of paying the Bonds, as specified in the Direct Deposit Agreement. If there is a shortfall in a monthly payment, it is to be made up in the succeeding monthly payment of State Aid. Following receipt of the deposits, the Deposit Trustee will invest the amounts for the benefit of the District in legally permitted investments. The Deposit Trustee will transfer to the Paying Agent the amount necessary for payment of debt service on the Bonds not

later than the business day prior to each payment date with respect to the Bonds. The District remains obligated to provide funds to the Paying Agent for debt service on the Bonds if the amounts of State Aid transferred are not sufficient to pay the Bonds when due.

Nothing in the Deposit Law or the Direct Deposit Agreement relieves the District of its obligation to make payments of principal and interest on the Bonds, or to impose any debt service levy sufficient to retire the Bonds. Moneys of the District which would otherwise be used to pay the Bonds on each payment date will be transferred to the District's operational funds to replace State Aid funds used to pay the Bonds. The State has not committed pursuant to the Deposit Law, the Direct Deposit Agreement or otherwise to maintain any particular level of State Aid on behalf of the District, and the State is not obligated in any manner, contractually or morally, to make payments of debt service on the Bonds, other than its obligation to make transfers to the Deposit Trustee as described above. No assurance can be made that the amount of annual State Aid to the District will not in the future drop below that of the annual debt service requirements on the Bonds.

RISK FACTORS AND INVESTMENT CONSIDERATIONS

*The following is a discussion of certain risks that could affect the payments to be made by the District with respect to the Bonds. In order to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement (including its appendices) in order to make a judgment as to whether the Bonds are an appropriate investment. 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

The Bond Resolution levies a direct annual tax on all taxable tangible property within the District sufficient to produce amounts necessary for the payment of the principal of and interest on the Bonds each year. Declining property values in the District, 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 the section captioned **"PROPERTY TAX INFORMATION CONCERNING THE DISTRICT – Property Valuations – History of Property Valuations"** in *Appendix A* to this Official Statement. In addition, the issuance of additional general obligation bonds by the District or by other political subdivisions in the District would increase the tax burden on taxpayers in the District. See the section captioned **"DEBT STRUCTURE OF THE DISTRICT – Overlapping or Underlying General Obligation Indebtedness"** in *Appendix A* to this Official Statement. Missouri law limits the amount of general obligation debt issuable by the District to 15% of the assessed valuation of taxable tangible property in the District. See the section captioned **"DEBT STRUCTURE OF THE DISTRICT – Legal Debt Capacity"** in *Appendix A* to this Official Statement. Other political subdivisions in the District are subject to similar limitations on general obligation debt imposed by Missouri law, including cities, counties and certain other political subdivisions, which are limited to general obligation debt of 20%, 10% and 5% of assessed valuation of taxable tangible property, respectively.

Concentration of property ownership in the District would expose the District's ability to collect ad valorem property taxes to the financial strength and ability and willingness of major taxpayers to pay property taxes. See **"Property Valuations – Current Assessed Valuation"** and **"Major Property Taxpayers"** under the caption **"PROPERTY TAX INFORMATION CONCERNING THE DISTRICT"** in *Appendix A* to this Official Statement.

Senior Property Tax Credit Program

In 2024, the Missouri General Assembly passed Senate Bill 756 (further amending Section 137.1050 of the Revised Statutes of the State of Missouri, as amended, originally enacted by the Missouri General Assembly in 2023 by Senate Bill 190), which authorizes counties to grant property tax credits to residential property owners who have attained the age of 62 years or older 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. As of the date of this Official Statement, the Senior Property Tax Credit Program has not yet been enacted in Lafayette County.

The potential financial impact of the Senior Property Tax Credit Program on the District is not yet ascertainable. If the District’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 District 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. See “**PROPERTY TAX INFORMATION CONCERNING THE DISTRICT**” 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.

No Reserve Fund or Credit Enhancement

No debt service reserve fund will be funded and no financial guaranty insurance policy, letter of credit or other credit enhancement will be issued to ensure payment of the Bonds. Accordingly, any potential purchaser of the Bonds should consider the financial ability of the District to pay the Bonds. As described under the caption “**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS**” in this Official Statement, the District has irrevocably pledged its full faith, credit and resources for the prompt payment of the Bonds and levied a direct annual tax, without limitation, sufficient to pay principal and interest on the Bonds on all taxable tangible property in the District.

Ratings

S&P Global Ratings has assigned the Bonds the program rating, and the District the underlying rating, set forth on the cover page. Such ratings reflect only the views of such rating agency, and an explanation of the significance of such ratings may be obtained therefrom. There is no assurance that the ratings will remain in

effect for any given period of time or that they will not be revised, either downward or upward, or withdrawn entirely, by said rating agency if, in their judgment, circumstances warrant. Any such downward revisions or withdrawal of the ratings may have an adverse effect on the market price of the Bonds. See the caption **“RATINGS”** herein.

Bankruptcy

In addition to the limitations on remedies contained in the Bond Resolution, the rights and remedies provided by the Bonds may be limited by and are subject to (i) bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws affecting creditors’ rights, (ii) the application of equitable principles, and (iii) 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, as amended, requires that any interest and sinking fund moneys only be used to pay principal and interest on the Bonds. The District, 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.

Pensions

The District contributes to two cost-sharing multiple-employer defined benefit pension plans on behalf of its employees: (i) The Public School Retirement System of Missouri (**“PSRS”**) and (ii) The Public Education Employee Retirement System of Missouri (**“PEERS”**). See **“FINANCIAL INFORMATION CONCERNING THE DISTRICT – Pension and Employee Retirement Plans”** in *Appendix A* to this Official Statement. Future required contribution increases beyond the current fiscal year may require the District to increase its revenues, reduce its expenditures, or some combination thereof, which may impact the District’s operations or limit the District’s ability to generate additional revenues in the future.

State Aid and Direct Deposit Agreement

Approximately 26% of the District’s revenue for the fiscal year ended June 30, 2024 was derived from State Aid. See the captions **“FINANCIAL INFORMATION CONCERNING THE DISTRICT – Sources of Revenue,”** and **“– State Revenue”** in *Appendix A* to this Official Statement. A portion of the District’s State Aid is currently pledged to the payment of the Bonds and will be directly deposited by the State with the Deposit Trustee for payment of the Bonds. See **“SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Direct Deposit of State Aid Payments”** in this Official Statement. Reductions in State Aid could occur in the future if, for example, the State of Missouri faces fiscal problems or the District experiences a decline in enrollment. Reductions in State Aid could force the District to make budget cuts or operational adjustments and may adversely affect the rating on the Bonds or the market price of the Bonds.

Enrollment

Significant portions of the revenue the District receives are directly affected by the District’s enrollment. A significant decrease in enrollment could reduce the amount of future revenue the District receives, which may adversely affect the District’s financial position and results of operations. No assurance can be given that economic, social, legislative and other factors beyond the control of the District will not negatively impact student enrollment and revenues dependent thereon. Increased competition from other educational facilities, including virtual facilities and charter schools, which may offer comparable programs at lower prices, could adversely affect the ability of the District to maintain enrollment, or could adversely affect the ability of the District to attract faculty and other staff. Under the Missouri Course Access and Virtual School Program, eligible students may enroll in virtual courses, and the school district will have to pay for that course if certain criteria are met. Charter schools are allowed in certain limited areas of Missouri provided certain criteria are met; there are or may be pending in the General Assembly of Missouri legislative proposals that, if enacted, could expand the prevalence of charter schools. It cannot be predicted whether or in what form any proposed legislation might

be enacted or whether, if enacted, it would negatively impact the District's enrollment, financial position or operations. For information about the historical enrollment of the District, see **"THE DISTRICT – History of Enrollment"** in *Appendix A* to this Official Statement.

Amendment of the Bond Resolution

Certain amendments, effected by resolution of the District, to the Bonds and the Bond Resolution 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 (a) extend the maturity of any payment of principal or interest due upon any Bond; (b) alter the optional redemption provisions of any Bond; (c) effect a reduction in the amount which the District is required to pay as principal of or interest on any Bond; (d) permit preference or priority of any Bond over any other Bond; or (e) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of the Bond Resolution without the written consent of the Registered Owners of all of the Bonds at the time outstanding. The District may also amend or supplement the Bond Resolution, 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 caption **"THE BONDS – Redemption Provisions"** in this Official Statement.]

Tax-Exempt Status and Risk of Audit

The failure of the District to comply with certain covenants set forth in the Bond Resolution 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 Bond Resolution 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 District 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.

Adverse Tax Legislation

There may be proposed from time to time in the Congress of the United States legislation, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to herein or affect the market value of the Bonds. It cannot be predicted whether or in what form any proposed legislation might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

Defeasance Risks

When all Bonds are deemed paid and discharged as provided in the Bond Resolution, the requirements contained in the Bond Resolution and the pledge of the District'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 Bond Resolution if there has been deposited with the Paying Agent, or other commercial bank or trust company moneys and/or Defeasance Obligations (as defined in the Bond Resolution) that, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the Bonds to the stated maturity or prior redemption date. There is no legal requirement in the Bond Resolution 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.

Cybersecurity Risks

The District 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 District'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 District 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 District may incur significant costs to remediate possible injury to the affected persons, and the District 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 District'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.

Risks Relating to COVID-19

Since December 2019, a novel strain of coronavirus (which leads to the disease known as "COVID-19"), has spread throughout the world and has been characterized by the World Health Organization as a pandemic. The impact of the COVID-19 pandemic on the U.S. economy has been and is expected to continue to be broad based and to negatively impact national, state and local economies.

The proliferation of COVID-19 throughout the State may adversely affect the State's revenues which could negatively impact the availability of State Aid (as defined in *Appendix A* to this Official Statement) distributed to the District and may impact the amount of property tax revenues available to fund the District's operations if the economic ramifications resulting from the COVID-19 pandemic have a lasting impact on the economy in and around the State or the District.

The effects of the COVID-19 pandemic are expected to continue throughout this year and beyond leading to uncertainties such as (1) the continued spread of the virus; (2) the severity of the disease; (3) the duration of the outbreak; (4) actions that may be taken by governmental authorities to contain or mitigate the outbreak or recurrences thereof; (5) the development of medical therapeutics or vaccinations; and (6) the impact of the outbreak and actions taken in response to the outbreak on the District's revenues, expenses and financial condition. Other developments regarding COVID-19 continue to occur on a daily basis and the extent to which COVID-19 will impact the District in the future is highly uncertain and cannot be predicted.

LEGAL MATTERS

Legal Proceedings

As of the date hereof, there is no controversy, suit or other proceeding of any kind pending or threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way the legal organization of the District 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 District's ability to meet its obligations to pay the Bonds.

Approval of Legality

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Gilmore & Bell, P.C., Kansas City, Missouri, Bond Counsel, whose approving opinion will be available at the time of delivery of the Bonds. Certain legal matters relating to this Official Statement will also be passed upon by Bond Counsel.

The legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transactions opined upon or of the future performance of parties to such transaction, and the rendering of an opinion does not guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX MATTERS

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

Opinion of Bond Counsel

In the opinion of Gilmore & Bell, P.C., as Bond Counsel to the District ("**Bond Counsel**"), under the law existing as of the issue date of the Bonds:

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

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

Bank Qualification. The Bonds are “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

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

Other Tax Consequences

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

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

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

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

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

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

RATINGS

S&P Global Ratings, a division of S&P Global, Inc. ("**S&P**"), has assigned the Bonds the rating as shown on the cover page conditioned upon the execution and delivery of the Direct Deposit Agreement described under the caption "**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Direct Deposit of State Aid Payments**" hereof. In addition, S&P has assigned the Bonds an underlying rating shown on the cover page based on S&P's evaluation of the credit worthiness of the District without consideration that payments on the Bonds are to be made pursuant to the Direct Deposit Program.

At present, S&P maintains four categories of investment grade ratings—AAA, AA, A and BBB. Under S&P criteria, debt rated "AA" has a very strong capacity to pay interest and repay principal and differs from the highest rated issues only in small degree; debt rated "A" has a strong capacity to pay interest and repay principal although it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than "AAA"- and "AA"-rated debt. Ratings reflect only the view of S&P at the time such ratings are given, and the District and the Underwriter make no representation as to the appropriateness of such ratings or that such ratings will not be changed, suspended or withdrawn.

S&P relies on the District and others for the accuracy and completeness of the information submitted in connection with the ratings. Ratings are not "market" ratings nor recommendations to buy, hold or sell the Bonds, and such ratings may be changed, suspended or withdrawn as a result of changes in, or unavailability of, information. Any downward revision, suspension or withdrawal of ratings could have an adverse effect on the market price and marketability of the Bonds. An explanation of the significance of ratings may be obtained only from S&P at the following address: S&P Global Ratings, 55 Water Street, New York, New York 10041.

MISCELLANEOUS

Underwriting

Raymond James & Associates, Inc., Leawood, Kansas (the “**Underwriter**”), has agreed to purchase the Bonds at a price of \$_____ (which is equal to the aggregate original principal amount of the Bonds, plus an original issue premium of \$_____, less an underwriting discount of \$_____). The Underwriter is purchasing the Bonds 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.

Certain Relationships

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

Certification and Other Matters Regarding Official Statement

Information set forth in this Official Statement has been furnished or reviewed by certain officials of the District, certified public accountants 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 President of the Board of Education of the District, acting on behalf of the District, 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 District. Neither the District nor any of its officers, directors or employees, in either their official or personal capacities, has made any warranties, representations or guarantees regarding the financial condition of the District or the District’s ability to make payments required of it; and further, neither the District nor its officers, directors or employees assumes any duties, responsibilities or obligations in relation to the issuance of the Bonds other than those either expressly or by fair implication imposed on the District by the Bond Resolution.

Additional Information

Additional information regarding the District or the Bonds may be obtained from the District in care of Superintendent, Wellington-Napoleon R-IX School District, 800 Highway 131, Wellington, Missouri 64097, Telephone: (816) 240-2621, or from the Underwriter, Raymond James & Associates, Inc., 11551 Ash Street, Suite 250, Leawood, Kansas 66211, Attention: Mike Reik, Telephone: (913) 374-3348.

**WELLINGTON-NAPOLEON R-IX SCHOOL
DISTRICT**

By: _____
President of the Board of Education

(THIS PAGE LEFT BLANK INTENTIONALLY)

APPENDIX A

GENERAL, ECONOMIC AND FINANCIAL INFORMATION OF THE DISTRICT

TABLE OF CONTENTS

	<u>Page A-</u>
THE DISTRICT	1
General Description	1
Organization and Board of Education.....	1
Professional Staff, Teachers and Employees	2
Educational Facilities.....	2
History of Enrollment.....	2
Other District Statistics.....	2
District Accreditation.....	2
National School Lunch Program.....	3
ECONOMIC INFORMATION CONCERNING THE DISTRICT	3
Population.....	3
Commerce, Industry and Employment	4
Medical and Health Facilities	4
Higher Education.....	4
Municipal Services and Utilities and Public Safety.....	5
Transportation Facilities	5
Recreational Facilities	5
Income and Home Values.....	6
DEBT STRUCTURE OF THE DISTRICT	7
Overview	7
Current Long-Term General Obligation Indebtedness	7
History of General Obligation Indebtedness.....	8
Legal Debt Capacity	8
General Obligation Bonds Debt Service Requirements.....	9
Other Long-Term Obligations of the District	9
Future Borrowing Plans	9
Overlapping or Underlying General Obligation Indebtedness.....	10
FINANCIAL INFORMATION CONCERNING THE DISTRICT	10
Accounting, Budgeting and Auditing Procedures	10
Sources of Revenue	11
Local Revenue	12
County Revenue.....	12
State Revenue	13
Federal Revenue	15
Certain Permitted Fund Transfers.....	16
Fund Balances Summary	17
Risk Management	17
Pension and Employee Retirement Plans	18
PROPERTY TAX INFORMATION CONCERNING THE DISTRICT	21
Property Valuations	21
Property Tax Levies and Collections.....	22
Tax Abatement and Tax Increment Financing.....	23
Tax Rates	24
History of Tax Levies	25
Tax Collection Record.....	26
Major Property Taxpayers	26

THE DISTRICT

General Description

The District encompasses approximately 70 square miles and is located in the western portion of Missouri in Lafayette County (the “**County**”) (highlighted on the map to the right). The District’s schools are primarily located in Wellington, Missouri (the “**City**”), which is approximately 40 miles east of Kansas City, Missouri. The District also includes certain surrounding unincorporated areas in the County.



Organization and Board of Education

The District is a reorganized school district formed pursuant to Chapter 162 of the Revised Statutes of Missouri, as amended (“**RSMo**”) and operates under the oversight of the Missouri Department of Elementary and Secondary Education (“**DESE**”). The District is governed by a seven-member Board of Education (the “**Board**”). The members of the Board are elected by the voters of the District for three-year staggered terms. All Board members are elected at-large and serve without compensation. The Board is responsible for all policy decisions. The President of the Board is elected by the Board from among its members for a term of one year and has no regular administrative duties. The Secretary and Treasurer are appointed by the Board and may or may not be members of the Board.

The current members and officers of the Board are:

<u>Name</u>	<u>Office</u>	<u>First Term Began</u>	<u>Current Term Expires</u>
Mike Zykan	President & Member	2020	2026
David Twente	Vice President & Member	2006	2027
Jeremy Ahmann	Treasurer & Member	2022	2028
Lorin Fahrmeier	Member	2024	2027
Clint Osborn	Member	2023	2026
Melissa Register	Member	2023	2026
Diane Rukavina	Member	2025	2028

District employee Elaine Burnett serves as Secretary to the Board.

Administration

The Board appoints the Superintendent who is the chief administrative officer of the District responsible for carrying out the policies set by the Board. Dr. Brad Briscoe began as Superintendent of the District on July 1, 2022. Previously, Dr. Briscoe served as high school principal for four years and assistant high school principal for three years at Odessa R-VIII School District, as Activities Director and basketball coach for seven years at Macks Creek R-V School District and as PE/Character Education Teacher for two years at Bradleyville R-1 School District. Dr. Briscoe earned his bachelor’s degree from Missouri State University, his Master’s degree from Louisiana State University and his Specialist and Doctorate degrees from William Woods University.

Additional members of the administrative staff are appointed by the Board upon recommendation by the Superintendent.

Professional Staff, Teachers and Employees

The District has a total of 67 employees, including 5 administrative personnel, 39 teachers and 23 non-certificated employees. On average, teachers employed by the District have 14.1 years of teaching experience, compared to a statewide average of 13.1 years, and 63.5% of the District's teachers hold advanced degrees compared to a statewide average of 61.1%. For the 2023-2024 school year, the average salary for all teaching staff was \$47,792, compared to a statewide average salary for teaching staff of \$57,794.

Educational Facilities

The District operates two schools as described below. The aggregate replacement cost of the current physical facilities of the District as most recently determined for insurance purposes is approximately \$24,924,159.

<u>School</u>	<u>Grades Served</u>
Elementary	PK-5
Middle/High	6-12

History of Enrollment

Listed below are the District's fall enrollment figures for the following school years.

<u>School Year</u>	<u>Enrollment</u>
2024-2025	381
2023-2024	380
2022-2021	382
2020-2021	417
2019-2020	401

Source: The District; DESE.

Other District Statistics

The following table shows additional information about the District compiled by DESE for the following fiscal years.

	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>
Avg. Daily Attendance (ADA)	392	378	383	355	343
Current Expenditures per Pupil	\$10,325	\$11,544	\$12,062	\$12,514	\$12,767
Students per Teacher	12	11	11	10	10
Students per Classroom Teacher	15	15	15	13	16

Source: DESE.

District Accreditation

DESE administers the Missouri School Improvement Program ("MSIP"), the state's school accountability system for reviewing and accrediting public school districts in Missouri. Since MSIP was established in 1990, five review cycles have been completed, each cycle lasting from five to six years. The sixth cycle, referred to as MSIP 6, began in the 2021-2022 school year.

The District is accredited. The MSIP classification is not a bond or debt rating but is solely an evaluation made by DESE.

National School Lunch Program

Certain District students are eligible to receive free or reduced price lunches (“FRL”) under The National School Lunch Program, which include students who participate in certain federal assistance programs (including the Supplemental Nutrition Assistance Program) or that qualify based on household income. The following table shows information about the District’s students’ participation in the program.

<u>School</u>	<u>January 2025 Full-Time Enrollment FRL Count</u>	<u>January 2025 Full-Time Enrollment</u>	<u>January 2025 Percentage of FRL Participation</u>
Elementary	50.00	160.00	31.25%
Middle/High	47.00	200.00	23.50

Source: DESE.

ECONOMIC INFORMATION CONCERNING THE DISTRICT

Some of the economic information in this section of *Appendix A* is historic in nature and may predate the COVID-19 pandemic. It is not possible to predict whether any of the trends shown herein will continue in the future. See also the section captioned “**RISK FACTORS AND INVESTMENT CONSIDERATIONS – Risks Relating to COVID-19**” in the Official Statement.

Population

The following table shows population figures for the District, the City, the County and the State of Missouri (the “**State**”) from the last three decennial censuses and the latest available estimate.

	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>2023</u>
District	2,295	2,364	2,295	1,813
City	777	812	738	553
County	32,960	33,381	32,984	32,974
State	5,595,211	5,988,927	6,154,913	6,168,181

Source: U.S. Census Bureau; Missouri Census Data Center - American Community Survey 5-Year Estimates (2019-2023).

The following table shows population distribution by age for the District, the City, the County and the State from the latest available estimate.

Estimated Population Distribution by Age

<u>Age</u>	<u>District</u>	<u>City</u>	<u>County</u>	<u>State</u>
Under 5 years	59	22	1,814	359,915
5-19 years	356	143	6,499	1,187,955
20-24 years	90	16	1,690	402,879
25-44 years	381	142	7,994	1,596,432
45-64 years	526	120	8,737	1,541,871
65 years and over	<u>401</u>	<u>110</u>	<u>6,240</u>	<u>1,079,129</u>
Total	<u>1,813</u>	<u>553</u>	<u>32,974</u>	<u>6,168,181</u>
Median age	46.3	39.8	40.9	38.9

Source: Missouri Census Data Center - American Community Survey 5-Year Estimates (2019-2023).

Commerce, Industry and Employment

Major Employers. The City is a part of the Kansas City metropolitan area and as such, employment opportunities for residents of the District are available both within the District and throughout the Kansas City area. Listed below are the major employers located in the Kansas City metropolitan area.

<u>Employer</u>	<u>Type of Business</u>	<u>Employees</u>
Federal Government	Government	38,400
Public Schools	Education	32,753
State/County/City Governments	Government	15,328
University of Kansas Health System	Health Care Provider	14,763
HCA Midwest Health Systems	Health Care Provider	10,051
Saint Luke's Health System	Health Care Provider	9,976
Ford Kansas City Assembly Plant	Automotive Manufacturing	9,021
Children's Mercy Hospitals & Clinic	Health Care Provider	7,687
Honeywell Federal Manufacturing & Technologies	Manufacturing & Technology	6,637
Oracle Cerner	Health Care IT Solutions	6,400

Source: *Kansas City Business Journal 2024-25 Book of Lists*: "Private Sector Employers" as of June 2024 and "Public-Sector Employers" as of December 2024. Information on The List was obtained through Kansas City Business Journal research or supplied by individual organizations through questionnaires that KCBJ could not independently verify.

Employment Figures. The following table sets forth employment figures (not seasonally adjusted) for Lafayette County, the State of Missouri and the United States:

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025*</u>
<i>Lafayette County</i>					
Total Labor Force	16,216	16,6379	16,713	16,966	17,095
Unemployed	666	453	499	583	743
Unemployment Rate	4.1%	2.8%	3.0%	3.4%	4.3%
<i>State of Missouri</i>					
Total Labor Force	3,031,845	3,042,699	3,095,018	3,131,182	3,146,623
Unemployed	126,113	79,757	95,951	114,296	137,989
Unemployment Rate	4.2%	2.6%	3.1%	3.7%	4.3%
<i>United States</i>					
Total Labor Force	161,204,000	164,287,000	167,116,000	168,106,000	170,194,333
Unemployed	8,623,000	5,996,000	6,080,000	6,761,000	7,427,000
Unemployment Rate	5.3%	3.6%	3.6%	4.0%	4.3%

Source: Missouri Economic Research and Information Center, Missouri Department of Economic Development.

* Average through March, 2025.

Medical and Health Facilities

Lafayette Regional Health Center, located in the City, contains a 25-bed primary care hospital, a 24-hour emergency room, and an outpatient clinic with 13 treatment rooms. There are many general practitioners and specialists who provide medical care in the City and in the nearby Kansas City metropolitan area.

Higher Education

The University of Central Missouri is located in Warrensburg, approximately 45 minutes south of the District. With an enrollment of more than 12,000 students, the University is a public, comprehensive university with more than 150 bachelor's degree options and 40 graduate programs.

William Jewell College is located in Liberty, Missouri, approximately 40 minutes west of the District. The private college has an enrollment of approximately 850 students and offers nearly 40 programs of study for undergraduates and 3 graduate programs.

The close proximity of the District to Kansas City, Missouri, many colleges and universities are available nearby for continued educational opportunities.

Municipal Services and Utilities and Public Safety

Water and Sewer: The City provides water and sewer services to District residents.

Electric: Every Missouri West provides electricity to District residents.

Police Protection: The Wellington Police Department serves the community 24 hours a day in all areas of police protection. The police department is made up of the Police Chief, Sergeant, Police Officer and Canine catcher.

Fire Protection: The Wellington-Napoleon Fire Protection District provides fire protection to more than 60 square miles including the District. It operates out of two fire stations with volunteer firefighters.

Ambulance Service: Ambulance services are provided by the Wellington Ambulance Service.

Transportation Facilities

The residents of the District have excellent access to the interstate highway system with Interstate 70 approximately 10 miles south of the City. The City is only a 30-minute drive from the eastern suburbs of Kansas City, Missouri. The District's proximity to the Kansas City metropolitan area provides residents with a wide variety of transportation carriers, including air and rail transport.

Passenger airline service, through a variety of major airlines, is available to residents of the District via the Kansas City International Airport, which is located approximately 50 miles west of the City and offers direct flights to multiple domestic and international destinations.

Amtrak makes regular scheduled stops in Kansas City and in Lee's Summit, Missouri, approximately 40 miles southwest of the City.

Recreational Facilities

There are many recreational facilities near the District, including the Wellington-Napoleon Community Park, which is a 30-acre park located in the City and includes two baseball/softball fields, a playground and a community building. Harmony Lake, just south of the City, is 12-acre lake that provides residents with swimming and paddle boating opportunities. The lake also includes a sand volleyball court and picnic areas. In addition, there are many recreational and entertainment facilities available to residents of the District in the surrounding areas including the greater Kansas City metropolitan area.

Income and Home Values

The following table presents per capita personal income⁽ⁱ⁾ for the County and the State for the years 2021 through 2023, the latest date for which such information is available:

	Lafayette County	State of Missouri
	Per Capita	Per Capita
<u>Year</u>	<u>Personal Income</u>	<u>Personal Income</u>
2023	\$54,277	\$62,604
2022	51,912	59,007
2021	49,783	56,639

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

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

The following table presents the estimated median household income for the District, the City, the County and the State:

	<u>Median Household Income</u>
District	\$89,375
City	67,404
County	79,091
Missouri	68,920

Source: Missouri Census Data Center, American Community Survey, 5-year estimates (2019-2023).

The following table presents the number of and median value of owner-occupied housing units in the District, the City, Lafayette County and the State of Missouri:

	<u>Number of</u>	<u>Median Home</u>
	<u>Owner-</u>	<u>Value</u>
	<u>Occupied Units</u>	
District	593	\$225,500
City	174	142,000
County	9,510	200,300
State	1,688,072	215,600

Source: Missouri Census Data Center, American Community Survey, 5-year estimates (2019-2023).

(Remainder of this page intentionally left blank)

DEBT STRUCTURE OF THE DISTRICT

Overview

The following table summarizes certain financial information concerning the District after issuance of the Bonds (unless otherwise noted). This information should be reviewed in conjunction with the other information contained in this section and the financial statements of the District in *Appendix B* to this Official Statement.

2024 Assessed Valuation ⁽¹⁾	\$38,238,840
2024 Estimated Actual Valuation ⁽²⁾	\$175,899,037
Outstanding General Obligation Bonds (“ Direct Debt ”) ⁽³⁾	\$4,925,000
Lease Debt ⁽⁴⁾	\$0
Total Direct Debt and Lease Debt	\$4,925,000
Estimated Population (2023)	1,813
Per Capita Direct Debt	\$2,716
Ratio of Direct Debt to Assessed Valuation	12.88%
Ratio of Direct Debt to Estimated Actual Valuation	2.80%
Per Capita Direct Debt and Lease Debt	\$2,716
Ratio of Direct Debt and Lease Debt to Assessed Valuation	12.88%
Ratio of Direct Debt and Lease Debt to Estimated Actual Valuation	2.80%
Overlapping and Underlying General Obligation Debt (“ Indirect Debt ”)	\$531,112
Total Direct Debt, Lease Debt and Indirect Debt	\$5,456,112
Per Capita Direct Debt, Lease Debt and Indirect Debt	\$3,009
Ratio of Direct Debt, Lease Debt and Indirect Debt to Assessed Valuation	14.27%
Ratio of Direct Debt, Lease Debt and Indirect Debt to Estimated Valuation	3.10%

-
- (1) Includes real and personal property valuation as provided by the Lafayette County Clerk. For further details see “**PROPERTY TAX INFORMATION CONCERNING THE DISTRICT.**”
- (2) Estimated actual valuation is calculated by dividing different classes of property by the corresponding assessment ratio. For a detail of these different classes and ratios see “**PROPERTY TAX INFORMATION CONCERNING THE DISTRICT.**”
- (3) Includes the Bonds. See “**DEBT STRUCTURE OF THE DISTRICT – Current Long-Term General Obligation Indebtedness**”
- (4) See “**DEBT STRUCTURE OF THE DISTRICT – Other Long-Term Obligations of the District**”
-

Current Long-Term General Obligation Indebtedness

The following table sets forth all of the outstanding general obligation indebtedness of the District following issuance of the Bonds.

<u>Issue Name</u>	<u>Date of Bonds</u>	<u>Amount Outstanding</u>
General Obligation Refunding Bonds, Series 2023	December 6, 2023	\$1,975,000
General Obligation School Building Bonds, Series 2025	[June 26, 2025]	<u>2,950,000</u>
Total		\$4,925,000

History of General Obligation Indebtedness

The following table shows the outstanding general obligation debt of the District for each of the following fiscal years:

<u>As of June 30</u>	<u>Total Outstanding Debt</u>	<u>Debt as % of Assessed Value⁽¹⁾</u>
2024	\$2,912,959	7.75%
2023	3,037,959	8.40
2022	3,137,959	9.61
2021	3,237,959	10.70
2020	3,327,959	11.03

Source: The District.

⁽¹⁾ The assessed valuation used is the assessed valuation of the District after Board of Equalization adjustments of the calendar year prior to the fiscal year shown. Assessed valuation excludes state assessed railroad and utility property located in the District. If state assessed railroad and utility property located in the District were taken into account, the debt as a percentage of total assessed valuation would be lower than the percentages shown. For more information, see “**DEBT STRUCTURE OF THE DISTRICT – Legal Debt Capacity.**”

The District has never defaulted on the payment of any of its debt obligations.

Legal Debt Capacity

Under Article VI, Section 26(b) of the Constitution of Missouri, the District may incur indebtedness for authorized school purposes not to exceed 15% of the valuation of taxable tangible property in the District according to the last completed assessment upon the approval of four-sevenths of the qualified voters in the District voting on the proposition at any municipal, primary or general election or two-thirds voter approval on any other election date. The current legal debt limitation and debt margin of the District are as follows:

Legal Debt Limitation and Debt Margin

Constitutional Debt Limitation under Article VI, Section 26(b) (15% of 2024 assessed valuation)	\$5,735,826
General Obligation Bonds Outstanding and Authorized But Not Issued ¹	<u>(4,925,000)</u>
Legal Debt Margin under Article VI, Section 26(b)	<u>\$ 810,826</u>

¹ Including the Bonds.

The District’s legal debt limit and debt margin would be higher if (i) the amount in the Debt Service Fund available to pay principal of the bonds, and (ii) the valuation of state assessed railroad and utility property that is physically located within the bounds of the District were both taken into account. Neither amount was included in the calculations of debt limit or debt margin.

Because of the manner in which tax collections are distributed to school districts from assessments of state assessed railroad and utility property (see “**FINANCIAL INFORMATION CONCERNING THE DISTRICT – County Revenue**”), the cumbersome task of determining the valuation of such property physically located within a school district is not normally undertaken unless, without the value of such property included in the calculation, the school district would exceed its legal debt limit.

General Obligation Bonds Debt Service Requirements

The following schedule shows the yearly principal and interest requirements for all outstanding general obligation bonds of the District, including the Bonds.

Fiscal Year Ended June 30	Outstanding Bonds		The Bonds		Total
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>*	<u>Interest</u>	
2025	817,959	159,071.20	\$ 0		
2026	225,000	88,875.00	0		
2027	225,000	78,750.00	0		
2028	225,000	68,625.00	0		
2029	175,000	58,500.00	0		
2030	175,000	50,625.00	0		
2031	175,000	42,750.00	0		
2032	175,000	34,875.00	0		
2033	200,000	27,000.00	0		
2034	200,000	18,000.00	0		
2035	200,000	9,000.00	0		
2036	0	0.00	165,000		
2037	0	0.00	185,000		
2038	0	0.00	215,000		
2039	0	0.00	240,000		
2040	0	0.00	270,000		
2041	0	0.00	300,000		
2042	0	0.00	335,000		
2043	0	0.00	370,000		
2044	0	0.00	410,000		
2045	0	0.00	460,000		
Total	\$2,792,959	\$636,071.20	\$2,950,000		
Less 3/1/25 Payment	(817,959)	(159,071.20)	(0)		
Current	\$1,975,000	\$477,000.00	\$2,950,000		

* Preliminary; subject to change.

The principal and interest requirements on the District's general obligation bonds (including the Bonds) are payable from amounts in the District's Debt Service Fund generated by a levy on all taxable tangible property in the District. The Debt Service Fund levy may be set, without limitation as to rate or amount, at the level required to make payments on the general obligation bonds. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT."

Other Long-Term Obligations of the District

The District has entered into an operating lease to finance copy machines. See Note I to the financial statements included in *Appendix B* to this Official Statement.

Future Borrowing Plans

Other than the improvements financed by the Bonds, the District does not have any plans to finance additional improvements at this time.

Overlapping or Underlying General Obligation Indebtedness

The following table sets forth the approximate overlapping and underlying general obligation indebtedness of political subdivisions with boundaries overlapping the District or lying within the District as of the date of this Official Statement, and the percent attributable (on the basis of assessed valuation) to the District. The table was compiled from publicly available information furnished by the jurisdictions responsible for the debt obligations and the District has not independently verified the accuracy or completeness of such information. Furthermore, political subdivisions may have ongoing programs requiring the issuance of substantial additional bonds or other long-term obligations, the amounts of which may be unknown to the District at this time.

<u>Jurisdiction</u>	<u>Obligations Outstanding</u>	<u>Percent Attributable to the District</u>	<u>Amount Attributable to the District</u>
Sni Valley Fire Protection District	\$3,940,000	13.48%	\$531,112

Source: Most recent information available from the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system.

FINANCIAL INFORMATION CONCERNING THE DISTRICT

Accounting, Budgeting and Auditing Procedures

The District presents its governmental activities in fund financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America, in conformity with the requirements of Missouri law and DESE. This basis recognizes assets, liabilities, net assets/fund equity, revenues and expenditures when they result from modified cash transactions.

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. District resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Transactions have been recorded in the following funds for the accounting of all District funds:

- **General (Incidental) Fund:** The General Fund is the primary operating fund of the District. It is used to account for general activities of the District, including expenditures for non-certificated employees, pupil transportation costs, plant operation, fringe benefits, student body activities, community services, food service and any expenditures not required or permitted to be accounted for in other funds.
- **Special Revenue (Teachers') Fund:** The Special Revenue Fund accounts for expenditures for certificated employees involved in administration and instruction. It includes revenues restricted by the State and the local tax levy for the payment of teacher salaries and certain employee benefits.
- **Debt Service Fund:** The Debt Service Fund accounts for the accumulation of resources for the payment of, principal, interest and paying agent charges on, long-term general obligation debt.
- **Capital Projects Fund:** The Capital Projects Fund accounts for resources restricted for the acquisition or construction of specific capital projects or items. It accounts for the proceeds of

long-term debt, taxes and other receipts designated for construction of major capital assets and all other capital outlay.

The Treasurer of the District is responsible for handling all moneys of the District and administering the above funds. All moneys received by the District from whatever source are credited to the appropriate fund. Moneys may be disbursed from such funds by the Treasurer only for the purpose for which they are levied, collected or received and only upon checks drawn by the Treasurer pursuant to orders of the Board or upon orders for payment issued by the Treasurer pursuant to orders of the Board.

An annual budget of estimated receipts and disbursements for the coming fiscal year is prepared by the Superintendent and is presented to the Board prior to July 1 for approval. The District's fiscal year is July 1 through June 30. The budget lists estimated receipts by funds and sources and estimated disbursements by funds and purposes and includes a statement of the rate of levy per \$100 of assessed valuation required to raise each amount shown on the budget as coming from District property taxes.

The financial records of the District are audited annually by an independent public accountant according to the modified cash basis of accounting. The most recent annual audit has been performed by Westbrook & Co., P.C., certified public accountants. The audited financial statements of the District for the fiscal year ended June 30, 2024, together with the independent auditor's report thereon, are included in this Official Statement at **Appendix B**. A summary of significant accounting policies of the District is contained in the notes accompanying the financial statements in **Appendix B**. The audited financial statements for earlier years with reports by the certified public accountants are available for examination in the District's office.

Sources of Revenue

The District finances its operations through the local property tax levy, state sales tax, State Aid (as defined below), federal grant programs and miscellaneous sources, including without limitation State Aid for transportation, a state sales tax on cigarettes and a pro rata share of interest income from the counties in which each school district operates. Debt service on general obligation bonds is paid from amounts in the District's Debt Service Fund. The primary source of money in the Debt Service Fund is local property taxes derived from a debt service levy. As discussed below, the Debt Service Fund may, however, also contain money derived from transfers from the Incidental Fund, from State Aid in the Classroom Trust Fund, and from certain other taxes or payments-in-lieu-of-taxes that may be placed in the Debt Service Fund at the discretion of the Board. See **"Certain Permitted Fund Transfers – Transfers from the Incidental Fund to the Debt Service Fund and/or the Capital Projects Fund."**

State and federal revenue, as well as **"Proposition C"** sales tax revenue (included in the **"Local Revenue"** category below), are received on a continuous monthly basis throughout the fiscal year. Local taxes, however, are received primarily in January, over six months into a school district's fiscal year. Districts that receive a smaller percentage of revenue from state and federal aid and depend more on local revenues will typically carry a larger fund balance than other districts that may be receiving a larger percent of its revenue from state and federal aid amounts rather than local taxes.

For the 2023-2024 fiscal year, the District’s sources of revenue were as follows:

<u>Source</u>	<u>Amount</u>	<u>%</u>
Local Revenue:		
Property Taxes	\$2,152,865	25.69%
Proposition C Sales Tax	527,172	6.29%
Other	645,451	7.70%
County Revenue:		
Railroad & Utility Property Taxes	360,830	4.31%
Fines, Forfeitures & Other	104,498	1.25%
State Revenue	2,229,852	26.61%
Federal Revenue	385,563	4.60%
Other Revenue	<u>1,975,000</u>	<u>23.56%</u>
Total Revenue	\$8,381,231	100.00%

Source: District’s Annual Secretary of the Board Report for fiscal year ended June 30, 2024.

Local Revenue

The primary sources of “local revenue” are (1) taxes upon real and personal property within a district, excluding railroad and utility property taxes, which are more fully described below, and (2) receipts from a 1% State sales tax (commonly referred to as “**Proposition C revenues**”) approved by the voters in 1982.

Proposition C revenues are deemed to be “local” revenues for school district accounting purposes. Proposition C revenues are distributed to each school district based on the district’s weighted average daily attendance (see “**Weighted ADA**” under “**State Revenue**” below). Proposition C payments vary each month due to cash availability, which is based on sales taxes paid during the second preceding month. The table below shows the approximate amount each school district received per pupil from Proposition C revenues for the following fiscal years:

Fiscal Year Ended	Proposition C Revenue
<u>June 30</u>	<u>(Per Pupil)</u>
2024	\$1,475
2023	1,287
2022	1,214
2021	1,046
2020	1,006

For the current 2024-2025 fiscal year, each school district is expected to receive approximately \$1,514 per pupil from Proposition C revenues; however, however, this is a preliminary estimate and subject to change.

County Revenue

For school taxation purposes, all state assessed railroad and utility property within a county is taxed uniformly at a rate determined by averaging the tax rates of all school districts in the county. No determination is made of the assessed value of the railroad and utility property that is physically located within the boundaries of each school district. Such tax collections for each county are distributed to the school districts within that county according to a formula based in part on total student enrollments in each district and in part on the taxes levied by each district. County revenue also includes certain fines and forfeitures collected with respect to violations within the boundaries of the school district.

State Revenue

The primary source of state revenue or “**State Aid**” is provided under a formula enacted under Chapter 163, RSMo. The amount of State Aid for school districts in Missouri is calculated using a formula that is primarily student-needs-based.

Property Tax Levy Requirements. The sum of a district’s local property tax levies in its Incidental and Teachers’ Funds must be at least \$2.75 per \$100 of assessed valuation in order for the district to receive increases in State Aid above the level of State Aid it received in the 2005-2006 fiscal year. Levy reductions required as a result of a “Hancock rollback” (see “**PROPERTY TAX INFORMATION CONCERNING THE DISTRICT – Tax Rates – Operating Levy**” below) will not affect a district’s eligibility for State Aid increases.

The Formula. A district’s State Aid is determined by first multiplying the district’s weighted average daily attendance (“**Weighted ADA**”) by the state adequacy target (“**State Adequacy Target**”). This figure may be adjusted upward by a dollar value modifier (“**DVM**”). The product of the Weighted ADA multiplied by the State Adequacy Target multiplied by the DVM is then reduced by a district’s local effort (“**Local Effort**”) to calculate a district’s final State Aid amount. The State Aid amount is distributed to school districts on a monthly basis.

Weighted ADA. Weighted ADA is based upon regular term ADA plus summer school ADA, with additional weight assigned in certain circumstances for students who qualify for free and reduced-price lunch (“**FRL**”), receive special education services (“**IEP**”), or possess limited English language proficiency (“**LEP**”). These FRL, IEP and LEP students are weighted to the extent they exceed certain thresholds (based on the percentage of students in each of the categories in certain high performing districts (“**Performance Districts**”), which thresholds can change every two years. Beginning with the 2018-2019 fiscal year, certain school districts who operate early childhood education programs will also be able to claim a portion of their pre-kindergarten FRL students in their calculation of ADA; however, the portion of pre-kindergarten FRL students included in the calculation of ADA cannot exceed 4% of the total number of FRL students between the ages of 5 and 18 who are included in the school district’s calculation of ADA. The District’s State Aid revenues would be adversely affected by decreases in its Weighted ADA resulting from decreased enrollment generally and, specifically, decreased enrollment of FRL, IEP and LEP students. However, in the event that the District’s Weighted ADA is substantially reduced for any current fiscal year, the District may use the higher of the District’s Weighted ADA for the immediately preceding fiscal year or the second preceding fiscal year. This process is designed to absorb a one-year attendance irregularity.

Section 163.021 RSMo provides that “whenever there has existed within the school district an infectious disease, contagion, epidemic, plague or similar condition” (like COVID-19), the apportionment of school funds and all other distribution of school moneys, such as Proposition C revenues, shall be made on the basis of the school district’s ADA (or Weighted ADA) for the next preceding fiscal year in which such condition existed. Therefore, if the District’s ADA (or Weighted ADA) for any future fiscal year is substantially reduced as a result of an infectious disease, contagion, epidemic, plague or similar condition, the District will be allowed to base its revenue distributions on its ADA (or Weighted ADA) for the fiscal year immediately preceding the fiscal year in which the condition existed.

State Adequacy Target. The State Aid formula requires DESE to calculate a “**State Adequacy Target**,” which is intended to be the minimum amount of funds a school district needs in order to educate each student. DESE’s calculation of the State Adequacy Target is based upon amounts spent, excluding federal and state transportation revenues, by Performance Districts. Every two years, using the most current list of Performance Districts, DESE will recalculate the State Adequacy Target. The recalculation can never result in a decrease from the State Adequacy Target as calculated for fiscal years 2017 and 2018 and any State Adequacy Target figure calculated thereafter.

The table below shows the State Adequacy Target for the following fiscal years:

Fiscal Year Ended	State Adequacy
<u>June 30</u>	<u>Target</u>
2024	\$6,375
2023	6,375
2022	6,375
2021	6,375
2020	6,375

The State Adequacy Target for the current 2024-2025 fiscal year is expected to be \$6,760 per pupil based on the Governor’s recommendations; however, this is a preliminary estimate and subject to change.

Dollar Value Modifier. The DVM is an index of the relative purchasing power of a dollar in different areas of the state. The DVM is calculated as one plus 15% of the difference of the regional wage ratio (the ratio of the regional wage per job divided by the state median wage per job) minus one. The law provides that the DVM can never be less than 1.000. DESE revises the DVM for each district on an annual basis. The DVM for the District for the 2022-2023 and 2023-2024 fiscal years was 1.080 and 1.078, respectively. The DVM for the District for the 2024-2025 fiscal year is 1.076.

Local Effort. For the 2006-2007 fiscal year, the Local Effort figure utilized in a school district’s State Aid calculation was the amount of locally generated revenue that the school district would have received in the 2004-2005 fiscal year if its operating levy was set at \$3.43. The \$3.43 amount is called the “**performance levy**.” For all years subsequent to the 2006-2007 fiscal year, a school district’s Local Effort amount has been frozen at the 2006-2007 amount, except for adjustments due to increased locally collected fines or decreased assessed valuation in the school district. Growth in assessed valuation and operating levy increases will result in additional local revenue to the school district, without affecting State Aid payments.

Categorical-Source Add-Ons. In addition to State Aid distributed pursuant to the formula as described above, the formula provides for the distribution of certain categorical sources of State Aid to school districts. These include (1) 75% of allowable transportation costs, (2) the career ladder entitlement, (3) the vocational education entitlement and (4) educational and screening program entitlements.

Classroom Trust Fund (Gambling Revenue) Distributions. A portion of the State Aid received under the formula will be in the form of a distribution from the “**Classroom Trust Fund**,” a fund in the state treasury containing a portion of the state’s gambling revenues. This money is distributed to school districts on the basis of ADA (versus *Weighted* ADA, which applies to the basic formula distribution). The funds deposited into the Classroom Trust Fund are not earmarked for a particular fund or expense and may be spent at the discretion of the local school district except that, beginning with the 2010-2011 fiscal year, all proceeds of the Classroom Trust Fund in excess of amounts received in the 2009-2010 fiscal year must be placed in the Teachers’ or Incidental Funds. The table below shows the approximate amount each school district received per pupil from the Classroom Trust Fund for the following fiscal years:

Fiscal Year Ended	Classroom Trust Fund
<u>June 30</u>	<u>(Per Pupil)</u>
2024	\$472
2023	425
2022	430
2021	435
2020	327*

* Casinos were temporarily closed during the fiscal year ended June 30, 2020 due to COVID-19 resulting in less gaming revenue for such period.

The estimated Classroom Trust Fund distributions to school districts during the current 2024-2025 fiscal year are expected to be equal to approximately \$621; however, this is a preliminary estimate and subject to change.

Classroom Trust Fund dollars do not increase the amount of State Aid.

Mandatory Deposit and Expenditures of Certain Amounts in the Teachers' Fund. The following state and local revenues must be deposited in the Teachers' Fund: (1) 75% of basic formula State Aid, excluding State Aid distributed from the Classroom Trust Fund (gambling revenues); (2) 75% of one-half of the district's local share of Proposition C revenues; (3) 100% of the career ladder state matching payments; and (4) 100% of local revenue from fines and escheats based on violations or abandoned property within the district's boundaries.

In addition to these mandatory deposits, school districts are also required to spend for certificated staff compensation and tuition expenditures each year the amounts described in clauses (1) and (2) of the preceding paragraph. Since the 2007-2008 fiscal year, school districts are further required to spend for certificated staff compensation and tuition expenditures each year, per the second preceding year's Weighted ADA, as much as was spent in the previous year from local and county tax revenues deposited in the Teachers' Fund, plus the amount of any transfers from the Incidental Fund to the Teachers' Fund that are calculated to be local and county tax sources. This amount is to be determined by dividing local and county tax sources in the Incidental Fund by total revenue in the Incidental Fund. Commencing with the 2006-2007 fiscal year, the formula provides that certificated staff compensation now includes the costs of public school retirement and Medicare for those staff members. These items were previously paid from the Incidental Fund.

Failure to satisfy the deposit and expenditure requirements applicable to the Teachers' Fund will result in a deduction of the amount of the expenditure shortfall from a district's basic formula State Aid for the following year, unless the district receives an exemption from the State Board of Education.

A school board may transfer any portion of the unrestricted balance remaining in the Incidental Fund to the Teachers' Fund. Any district that uses a transfer from the Incidental Fund to pay for more than 25% of the annual certificated compensation obligation of the district, and has an Incidental Fund balance on June 30 in any year in excess of 50% of the combined Incidental and Teachers' Fund expenditures for the fiscal year just ended, will be required to transfer the excess from the Incidental Fund to the Teachers' Fund.

Federal Revenue

School districts receive certain grants and other revenue from the federal government that are required to be used for the specified purposes of the grant or funding program.

The federal "Every Student Succeeds Act" ("ESSA") was signed into law on December 10, 2015. ESSA replaces the "No Child Left Behind Act." Each state education agency must develop a state accountability plan ("ESSA Plan") that incorporates testing based on challenging academic standards. The ESSA Plans were required to be submitted to the United States Department of Education (the "DOE") in 2017. Under ESSA, states can decide how much weight to give standardized tests in their accountability systems and determine what consequences, if any, should attach to poor performance. However, at least 95% of eligible students are required to take the state-chosen standardized tests, and federal funding can be withheld if states fall below the 95% threshold.

The State submitted its plan to the DOE on September 13, 2017 in order to meet the September 18, 2017 deadline. The DOE approved the State's plan on January 16, 2018. Under ESSA, the State will continue to test students through the Missouri Assessment Program.

Certain Permitted Fund Transfers

Limited Sources of Funds for Capital Expenditures. School districts may only pay for capital outlays from the Capital Projects Fund. Sources of revenues in the Capital Projects Fund are limited to: (i) proceeds of general obligation bonds (which are repaid from a Debt Service Fund levy) and lease financings; (ii) revenue from the school district's local property tax levy for the Capital Projects Fund; (iii) certain permitted transfers from the Incidental Fund; and (iv) a portion of the funds distributed to school districts from the Classroom Trust Fund.

Capital Projects Fund Levy. Prior to setting tax rates for the Teachers' and Incidental Funds, each school district must annually set the tax rate for the Capital Projects Fund as necessary to meet the expenditures of the Capital Projects Fund for capital outlays, except that the tax rate set for the Capital Projects Fund may not be in an amount that would result in the reduction of the equalized combined tax rates for the Teachers' and Incidental Funds to an amount below \$2.75. The District does not currently levy a property tax for its Capital Projects Fund.

Transfers from the Incidental Fund to the Capital Projects Fund. In addition to money generated from the Capital Projects Fund levy, each school district may transfer money from the Incidental Fund to the Capital Projects Fund for certain purposes, including: (1) the amount to be expended for transportation equipment that is considered an allowable cost under the State Board of Education rules for transportation reimbursements during the current year; (2) the amount necessary to satisfy obligations of the Capital Projects Fund for state-approved area vocational-technical schools; (3) current year obligations for lease-purchase obligations entered into prior to January 1, 1997; (4) the amount necessary to repay costs of one or more guaranteed energy savings performance contracts to renovate buildings in the school district, provided that the contract specified that no payment or total of payments shall be required from the school district until at least an equal total amount of energy and energy-related operating savings and payments from the vendor pursuant to the contract have been realized; and (5) to satisfy current year capital project expenditures, an amount not to exceed the greater of (a) \$162,326 or (b) seven percent (7%) of the State Adequacy Target (see "***State Adequacy Target***" above) times a school district's Weighted ADA. The District transferred \$74,818 from the Incidental Fund to the Capital Projects Fund under this provision during the 2023-2024 fiscal year.

Transfers from the Incidental Fund to the Debt Service Fund and/or the Capital Projects Fund. If a school district is not using the seven percent (7%) or the \$162,326 transfer discussed in parts (5)(a) and (5)(b) of the prior paragraph and is not making payments on lease purchases pursuant to Section 177.088, RSMo, then the school district may transfer from the Incidental Fund to the Debt Service and/or the Capital Projects Fund the greater of (1) the State Aid received in the 2005-2006 school year as a result of no more than eighteen (18) cents of the sum of the Debt Service Fund levy and Capital Projects Fund levy used in the foundation formula and placed in the Capital Projects Fund or Debt Service Fund, or (2) five percent (5%) of the State Adequacy Target (see "***State Adequacy Target***" above) times the district's Weighted ADA. Because the District made a transfer under the provision discussed in the prior paragraph, the District was not eligible to make a transfer under this provision during the 2023-2024 fiscal year.

(Remainder of this page intentionally left blank)

Fund Balances Summary

The following Summary Statement of Revenues, Expenditures and Changes in Fund Balances was prepared from the District's Annual Secretary of the Board Reports for the fiscal years ended June 30, 2020 through 2024. The statement set forth below should be read in conjunction with the other financial statements and notes set forth in *Appendix B* of this Official Statement and the financial statements on file at the District's office.

Summary Statement of Revenues, Expenditures and Changes in Fund Balances All Governmental Funds

	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
General (Incidental) Fund					
Balance--Beginning of Year	\$1,607,682	\$1,187,517	\$1,271,815	\$1,526,763	\$1,910,442
Revenues	1,954,583	2,325,459	2,806,554	3,166,771	3,213,228
Expenditures	(1,779,423)	(1,844,283)	(2,124,461)	(2,173,693)	(2,083,580)
Transfers In (Out)	(595,325)	(396,878)	(427,145)	(609,399)	(742,929)
Balance--End of Year	\$1,187,517	\$1,271,815	\$1,526,763	\$1,910,442	\$2,297,160
Special Revenue (Teachers') Fund					
Balance--Beginning of Year	\$0	\$0	\$0	\$0	\$0
Revenues	2,199,415	2,623,633	2,697,026	2,556,685	2,563,922
Expenditures	(2,794,740)	(2,945,511)	(3,124,170)	(3,116,084)	(3,232,032)
Transfers In (Out)	595,325	321,878	427,145	559,399	668,110
Balance--End of Year	\$0	\$0	\$0	\$0	\$0
Debt Service Fund					
Balance--Beginning of Year	\$240,552	\$468,798	\$591,811	\$717,988	\$910,825
Revenues	358,012	365,875	377,418	442,397	2,516,376
Expenditures	(129,766)	(242,862)	(251,242)	(249,560)	(2,286,089)
Balance--End of Year	\$468,798	\$591,811	\$717,988	\$910,825	\$1,141,111
Capital Projects Fund					
Balance--Beginning of Year	\$2,445,057	\$1,528,297	\$732,331	\$166,066	\$197,585
Revenues	46,188	136,183	153,903	91,769	87,705
Expenditures	(962,948)	(1,007,149)	(720,167)	(110,250)	(86,875)
Transfers In (Out)	0	75,000	0	50,000	74,819
Balance--End of Year	\$1,528,297	\$732,331	\$166,066	\$197,585	\$273,234
Total Governmental Funds					
Balance--Beginning of Year	\$4,293,292	\$3,184,612	\$2,595,957	\$2,410,817	\$3,018,852
Revenues	4,558,198	5,451,150	6,034,901	6,257,622	8,381,231
Expenditures	(5,666,877)	(6,039,805)	(6,220,041)	(5,649,587)	(7,688,577)
Balance--End of Year	\$3,184,612	\$2,595,957	\$2,410,817	\$3,018,852	\$3,711,506

Source: District's Annual Secretary of the Board Reports for fiscal years ended June 30, 2020 through 2024.

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District has joined with other schools to form the Missouri United School Insurance Council ("MUSIC"), a public entity risk pool currently operating as a

common risk management and insurance program for its members. The District pays an annual premium to MUSIC for its insurance coverage. Such coverage allows for liability claims up to \$3,500,000 property claims to various amounts and worker's compensation claims to statutory limits.

Pension and Employee Retirement Plans

General. The District contributes to two cost-sharing multiple-employer defined benefit pension plans on behalf of its employees: (i) The Public School Retirement System of Missouri ("**PSRS**"), which provides retirement, disability and death benefits to full-time (and certain part-time) certificated employees of school districts and certain other educational entities in Missouri and employees of certain related employers; and (ii) The Public Education Employee Retirement System of Missouri ("**PEERS**"), which provides retirement and disability benefits to employees of school districts and certain other educational entities in Missouri and of certain related employers who work 20 or more hours per week and do not contribute to PSRS. Benefit provisions relating to both PSRS and PEERS are set forth in Chapter 169, RSMo. The statutes assign responsibility for the administration of both plans to a seven-member Board of Trustees of PSRS (the "**PSRS Board**"). PSRS and PEERS had 534 and 531 contributing employers, respectively, during the fiscal year ended June 30, 2024.

PSRS and PEERS issue a publicly available financial report that includes financial statements and required supplementary information. The PSRS/PEERS Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024 (the "**2024 PSRS/PEERS ACFR**"), the comprehensive financial report for the plans, is available at www.psr-peers.org/About-Us. The link to the 2024 PSRS/PEERS ACFR is provided for general background information only, and the information in the 2024 PSRS/PEERS ACFR is not incorporated by reference herein. The 2024 PSRS/PEERS ACFR provides detailed information about PSRS and PEERS, including their respective financial positions, investment policy and performance information, actuarial information and assumptions affecting plan design and policies, and certain statistical information about the plans.

PSRS and PEERS Contributions. Employees who contribute to PSRS are not eligible to make Social Security contributions, except in limited circumstances. For the fiscal year ended June 30, 2024, PSRS contributing employees were required to contribute 14.5% of their annual covered salary and their employers, including the District, were required to contribute a matching amount of 14.5% of each contributing employee's covered salary. The contribution requirements of members and the District are established (and may be amended) by the PSRS Board based on the recommendation of an independent actuary. State statute prohibits the PSRS Board from approving an increase greater than 1.0% in aggregate of PSRS contributing member covered pay of the previous year.

Employees who contribute to PEERS are eligible to make Social Security contributions. For the fiscal year ended June 30, 2024, PEERS contributing employees were required to contribute 6.86% of their annual covered salary and their employers, including the District, were required to contribute a matching amount of 6.86% of each contributing employee's covered salary. The contribution requirements of members and the District are established (and may be amended) by the PSRS Board based on the recommendation of an independent actuary. State statute prohibits the PSRS Board from approving an increase greater than 0.5% in aggregate of PEERS contributing member covered pay of the previous year.

PSRS and PEERS Funded Status. PSRS and PEERS reported funded ratios of 87.2% and 88.1%, respectively, as of June 30, 2024, according to the 2024 PSRS/PEERS ACFR. Funded ratios are intended to estimate the ability of current plan assets to satisfy projected future liabilities. The PSRS and PEERS funded ratios are determined by dividing the smoothed actuarial value of plan assets by the plan's actuarial accrued liability determined under the entry age normal cost method with normal costs calculated as a level percentage of payrolls, along with certain actuarial assumptions based on an experience study conducted in 2021. PSRS and PEERS amortize unfunded actuarial liabilities using a closed 30-year method. Additional assumptions and methods used to determine the actuarial funded status of PSRS and PEERS are set forth in the Actuarial Section of the 2024 PSRS/PEERS ACFR. The funding objective of each plan, as stated in each plan's Actuarial Funding

Policy, is to achieve a funded ratio of 100% over a closed 30-year period.

The following provides a historical comparison of actual employer contributions to actuarially determined contributions and the historical funded status for the plans for the years shown:

Schedule of Employer Contributions

Year Ended June 30	<u>PSRS</u>			<u>PEERS</u>		
	Actuarially Determined Contribution	Actual Employer Contributions	Contribution Excess/ (Deficiency)⁽¹⁾	Actuarially Determined Contribution	Actual Employer Contributions	Contribution Excess/ (Deficiency)⁽¹⁾
2024	\$832,366,273	\$819,926,016	\$(12,440,257)	\$163,252,197	\$162,777,627	\$(474,570)
2023	771,873,895	792,646,705	20,772,810	145,744,095	147,463,789	1,719,694
2022	756,968,491	764,348,407	7,379,916	134,786,669	135,180,782	394,113
2021	702,442,650	745,638,245	43,195,595	123,733,066	126,877,255	3,144,189
2020	679,495,757	724,995,473	45,499,716	119,461,270	124,544,728	5,083,458

Source: "Schedules of Employer Contributions" in the Financial Section of the 2024 PSRS/PEERS ACFR.

⁽¹⁾ The annual statutory increase in the total contribution rate may not exceed 1% of pay for PSRS and 0.5% of pay for PEERS. The limitation on contribution increases resulted in a deficiency for some of the years presented. Contributions were funded to the maximum statutory limit each year.

Schedule of Funding Progress

(Dollar amounts in thousands)

Year Ended June 30	<u>PSRS</u>			<u>PEERS</u>		
	Actuarial Value of Assets	Actuarial Accrued Liability	Funded Ratio	Actuarial Value of Assets	Actuarial Accrued Liability	Funded Ratio
2024	\$51,430,822	\$58,971,485	87.2%	\$6,881,439	\$7,810,188	88.1%
2023	49,122,410	57,193,631	85.9	6,459,684	7,401,637	87.3
2022	47,185,300	55,405,260	85.2	6,113,154	6,998,708	87.3
2021	45,033,548	52,834,297	85.2	5,756,526	6,560,854	87.7
2020	41,705,059	49,641,020	84.0	5,257,847	6,089,401	86.3

Source: "Schedule of Funding Progress" in the Actuarial Section of the 2024 PSRS/PEERS ACFR.

As stated in the Financial Statement Information Related to the Public School and Education Employee Retirement Systems of Missouri prepared by PSRS and PEERS and provided to the District, the District's contributions to PSRS and PEERS for the years shown were as follows:

District Contributions to PSRS and PEERS

Year Ended June 30	<u>PSRS</u>		<u>PEERS</u>	
	<u>Annual Contribution</u>	<u>Contribution (% of Payroll)⁽¹⁾</u>	<u>Annual Contribution⁽²⁾</u>	<u>Contribution (% of Payroll)</u>
2024	\$336,084	14.32%	\$54,902	6.86%
2023	342,179	14.50	52,909	6.86
2022	332,444	14.50	47,078	6.86

Source: Financial Statement Information Related to the Public School and Education Employee Retirement Systems of Missouri, prepared by PSRS and PEERS for the District (Unaudited).

⁽¹⁾ The percentages shown are less than 14.5% because the District has certain PSRS members who are required to contribute to Social Security under the requirements of Section 169.070, RSMo, known as the "2/3's statute." PSRS members required to contribute to Social Security are required to contribute two-thirds of the approved PSRS contribution rate, and their employer is required to match the contribution. The members' benefits are further calculated at two-thirds the normal benefit amount.

⁽²⁾ The annual contributions equaled the amounts required by the PSRS Board for each year.

The District's contribution to PSRS and PEERS during the fiscal year ended June 30, 2024 constituted approximately 5.0% of the District's total expenditures during the fiscal year. The District will be required to contribute 14.5% of covered payroll for PSRS contributing employees and 6.86% of covered payroll for PEERS contributing employees during the fiscal year ending June 30, 2025, equal to the contribution percentages for the fiscal year ended June 30, 2024.

Estimated Proportionate Share of PSRS/PEERS Liability. The District has not implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, because the District's financial statements are prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting different from accounting principles generally accepted in the United States of America. PSRS and PEERS, however, have implemented GASB Statement No. 67, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25*. Accordingly, PSRS and PEERS are required annually to provide each contributing Missouri school district reports estimating each district's proportionate share of the net pension liability of PSRS and PEERS as of the end of the prior fiscal year. The estimate is computed for each district by multiplying the net pension liability of a plan (calculated by determining the difference between the plan's total pension liability and fiduciary net position) by a percentage reflecting the district's proportionate share of contributions to the plan during the fiscal year (calculated by dividing the District's actual contributions by the actual contributions of all participating employers for PSRS and PEERS, respectively, for the fiscal year ended June 30, 2024). At June 30, 2025 (measured as of June 30, 2024), the District's proportionate share of the net pension liability of PSRS and PEERS was \$2,838,482 and \$293,956, respectively, as determined by PSRS and PEERS on an accrual basis of accounting. At June 30, 2024, the District's contribution to PSRS and PEERS represented 0.0410% and 0.0341%, respectively, of the overall contributions to PSRS and PEERS during the fiscal year. In addition, for the year ended June 30, 2025, the District recognized pension expense of \$230,143 for PSRS and \$74,410 for PEERS, its proportionate share of the total pension expense. Detailed information about the calculation of the net pension liability of the plans, including information about the assumptions used, is available in Note 6 of the 2024 PSRS/PEERS ACFR.

The net pension liability of PSRS and PEERS is based on a 7.3% discount rate, which was also the assumed investment rate of return for the plans effective for the fiscal year ended June 30, 2024. PSRS and PEERS further advised the District that its proportionate share of the net pension liability using a 1% higher or lower discount rate at June 30, 2025 (measured as of June 30, 2024) would be as follows:

Proportionate Share of Net Pension Liability Sensitivity

	1.0% Decrease (<u>6.3%</u>)	Current Discount Rate (<u>7.3%</u>)	1.0% Increase (<u>8.3%</u>)
District's proportionate share of PSRS net pension liability	\$5,889,928	\$2,838,482	\$311,904
District's proportionate share of PEERS net pension liability	\$619,952	\$293,956	\$22,320

For additional information regarding the District's pensions and employee retirement plans, see Note E to the District's financial statements included as *Appendix B* to this Official Statement. For additional information regarding PSRS and PEERS, see the 2024 PSRS/PEERS ACFR.

PROPERTY TAX INFORMATION CONCERNING THE DISTRICT

Property Valuations

Assessment Procedure. All taxable real and personal property within the District is assessed annually by the County Assessor of Lafayette County, Missouri ("County Assessor"). Missouri 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%

A general reassessment of real property occurred statewide in 1985. In order to maintain equalized assessed valuations following this reassessment, the state legislature adopted a maintenance law in 1986. On January 1 in every odd-numbered year, the 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.

(Remainder of this page intentionally left blank)

Current Assessed Valuation. The following table shows the total locally assessed valuation and the estimated actual valuation, by category, of all taxable tangible property situated in the District (excluding assessed valuation amounts attributable to state assessed railroad and utility property located within the District) according to the assessments, after Board of Equalization adjustments, for property owned as of January 1, 2024.

<u>Type of Property</u>	<u>Total Assessed Valuation</u>	<u>Assessment Rate</u>	<u>Estimated Actual Valuation</u>	<u>% of Est. Actual Valuation</u>
Real:				
Residential	\$21,731,872	19.00%	\$114,378,274	65.02%
Agricultural	2,214,996	12.00%	18,458,300	10.49
Commercial ⁽¹⁾	<u>1,492,379</u>	32.00%	<u>4,663,684</u>	2.65
Total Real	\$25,439,247		\$137,500,258	
Personal⁽²⁾	<u>12,799,593</u>	33.33% ⁽²⁾	<u>38,398,779</u>	<u>21.83</u>
Total Real & Personal	\$38,238,840		\$175,899,037	100.00%

Source: County Clerk of Lafayette County.

⁽¹⁾ Includes locally assessed railroad and utility property.

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

History of Property Valuations. The total assessed valuation of all taxable tangible property situated in the District (excluding assessed valuation amounts attributable to state assessed railroad and utility property located within the District according to the assessments of January 1, after Board of Equalization adjustments, in each of the following years has been as follows:

<u>Calendar Year</u>	<u>Assessed Valuation</u>	<u>% Change</u>
2024	\$38,238,840	1.68%
2023	37,606,112	3.95
2022	36,177,699	10.80
2021	32,651,519	7.92
2020	30,254,830	0.28

Source: District’s Annual Secretary of the Board Reports for fiscal years ended June 30, 2021 through 2024; Lafayette County Clerk.

Property Tax Levies and Collections

Generally. Property taxes are levied and collected for the District by the County, for which Lafayette County receives a collection fee of the gross tax collections made.

The District is required by law to prepare an annual budget, which includes an estimate of the amount of revenues to be received from all sources for the budget year, including an estimate of the amount of money required to be raised from property taxes and the tax levy rates required to produce such amounts. The budget must also include proposed expenditures and must state the amount required for the payment of interest, amortization and redemption charges on the District’s debt for the ensuing budget year. Such estimates are based on the assessed valuation figures provided by the Lafayette County Clerk (the “**County Clerk**”). As required under SB 711 (discussed below), the District must informally project nonbinding tax levies for the year and return such projected tax levies to the County Clerk in April. The District must fix its ad valorem property tax rates and certify them to the County Clerk no later than September 1 for entry in the tax books. Taxes are levied at the District’s tax rate per \$100 of assessed valuation. The Missouri State Auditor is responsible for reviewing the rate of tax to ensure that it does not exceed constitutional rate limits.

Real and personal property within the District is assessed by the County Assessor. The County Assessor is responsible for preparing the tax rolls each year and for submitting tax rolls to the Board of Equalization of the County. The Board of Equalization has the authority to question and determine the proper value of property and then adjust and equalize individual properties appearing on the tax rolls. After local appeal procedures have been completed, the books are finalized and sent to the County Collector. The County Collector extends the taxes on the tax rolls and issues the tax statements in early December.

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

District's Rights in Event of Tax Delinquency. Taxes are due by December 31 and become delinquent if not paid to the County Collector by that time. All tracts of land and city lots on which delinquent taxes are due are charged with a penalty of 18% of each year's delinquency. Taxes on real estate become delinquent on January 1 and the County Collector is required to enforce the State's lien by offering the property for sale in August. If the offering does not produce a bid equal to the delinquent taxes plus interest, penalty, and costs, the property is offered for sale again the following year. If the second offering also does not produce a bid adequate to cover the amount due, the property is sold the following year to the highest bidder. Tax sales at the first or second offerings are subject to the owner's redemption rights. Delinquent personal property taxes constitute a debt of the person assessed with the taxes, and a personal judgment can be rendered for such taxes against the debtor. Personal property taxes become delinquent on January 1. Collection suits may be commenced on or after February 1 and must be commenced within three years.

Tax Abatement and Tax Increment Financing

Under state law, tax abatement is available for redevelopers of areas determined by the governing body of a city to be "blighted." The Land Clearance for Redevelopment Authority Law authorizes ten-year tax abatement pursuant to Sections 99.700 to 99.715, RSMo. In lieu of ten-year tax abatement, a redeveloper that is an urban redevelopment corporation formed pursuant to Chapter 353, RSMo, may seek real property tax abatement for a total period of 25 years. In addition, Chapter 135 and 137 (Missouri Works Enhanced Enterprise Zones), Chapter 100, RSMo and Article VI Section 27(b) of the Missouri Constitution authorize real and personal property tax abatement for corporations for certain projects. Currently, there are tax abatement projects located within the District. For more information about tax abatement within the District, see Note E to the District's financial statements included in *Appendix B* to this Official Statement.

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

While currently no portions of the District are located in tax increment financing redevelopment areas ("**TIF Redevelopment Areas**"), this could change in the future. Tax increment financing does not diminish the amount of property tax revenues collected by the District in an affected area compared to prior to the establishment of a TIF Redevelopment Area, but instead acts to freeze such revenues at current levels and deprives the District 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 in such areas (the "**TIF Increment**"). The TIF Increment is captured by the TIF Redevelopment Areas until the tax increment financing obligations issued are repaid or the tax increment financing period terminates.

Tax Rates

Debt Service Levy. The District's debt service levy for the 2024-2025 fiscal year is \$0.8859 per \$100 of assessed valuation. Once indebtedness has been approved by the requisite number of voters voting therefor and bonds are issued, the District is required under Article VI, Section 26(f) of the Missouri Constitution to levy an annual tax on all taxable tangible property therein sufficient to pay the interest and principal of the indebtedness as they fall due and to retire the same within 20 years from the date of issue. The Board of Education may set the tax rate for debt service, without limitation as to rate or amount, at the level required to make such payments.

Operating Levy. The operating tax levy of a school district (consisting of all ad valorem taxes levied except the debt service levy) cannot exceed the "**tax rate ceiling**" for the current year without voter approval. The tax rate ceiling, determined annually, is the rate of levy that, when charged against a school district's assessed valuation for the current year, excluding new construction and improvements, will produce an amount of tax revenues equal to tax revenues for the previous year increased by the lesser of actual assessment growth, 5% or the Consumer Price Index.

Under Article X, Section 11(b) of the Missouri Constitution, a school district may increase its operating levy up to \$2.75 per \$100 of assessed valuation without voter approval. Any increase above \$2.75, however, must be approved by a majority of the voters voting on the proposition. Further, pursuant to Article X, Section 11(c) of the Missouri Constitution, any increase above \$6.00 must be approved by two-thirds of the voters voting on the proposition. Without the required percentage of voter approval, the tax rate ceiling cannot at any time exceed the greater of the tax rate in effect in 1980 or the most recent voter-approved tax rate (as adjusted pursuant to the provisions of the Hancock Amendment and SB 711, more fully explained below). The tax levy for debt service on a school district's general obligation bonds is exempt from these limitations upon the tax rate ceiling.

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

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

Under the provisions of an initiative petition adopted by the voters of Missouri on November 2, 1982, commonly known as "**Proposition C**," revenues generated by a 1% state sales tax are credited to a special trust fund for school districts and are deemed to be "local" revenues for school district accounting purposes.

Proposition C revenues are distributed to each school district within the State on the basis of eligible pupils. Under Proposition C, after determining its budget and the levy rate needed to produce required revenues to fund the budget, a school district must reduce the operating levy by an amount sufficient to decrease the revenues it would have received therefrom by an amount equal to 50% of the revenues received through Proposition C during the prior year. School districts may submit propositions to voters to forgo all or a part of the reduction in the operating levy that would otherwise be required under the terms of Proposition C. The District's voters previously approved a proposition to forgo all of the reduction in the operating levy which would otherwise be required under the terms of Proposition C which allows the District to levy up to its tax rate ceiling.

For the current fiscal year ending June 30, 2025, the District's operating levy (all funds except the debt service fund levy) is \$3.9327 per \$100 of assessed valuation, which is equal to the District's tax rate ceiling for said fiscal year.

The tax levy for debt service on the District's general obligation bonds is exempt from the calculations of and limitations upon the tax rate ceiling.

History of Tax Levies

The following table shows the District's tax levies (per \$100 of assessed valuation) for each of the following years:

Fiscal Year Ended <u>June 30</u>	General Incidental <u>Fund</u>	Special Revenue Teachers' <u>Fund</u>	Debt Service <u>Fund</u>	Capital Projects <u>Fund</u>	Total <u>Levy</u>
2025	\$4.7173	\$0.0000	\$0.8859	\$0.1200	\$5.7232
2024	4.7173	0.0000	0.8859	0.1200	5.7232
2023	4.7173	0.0000	0.8859	0.1200	5.7232
2022	4.7173	0.0000	0.8859	0.1200	5.7232
2021	3.5873	0.0000	0.8859	0.0000	4.4732
2020	3.4813	0.0000	0.8859	0.0000	4.3672

Source: For fiscal year 2025, DESE Tax Rate Report; for fiscal years 2020 through 2024, District's Annual Secretary of the Board Reports for fiscal years ended June 30, 2020 through 2024.

(Remainder of this page intentionally left blank)

Tax Collection Record

Taxes are levied based on the assessed valuation following Board of Equalization review, which typically occurs in August. As a result of resolution of tax cases, the addition of undeclared personal property and other changes in assessment following Board of Equalization review, tax bills may be changed following the original levy and some taxpayers may be obligated to pay additional taxes or pay less taxes. The following table sets forth tax collection information for the District in each of the following years:

Fiscal Year Ended June 30	Total Levy (per \$100 of Assessed Value)	Assessed Valuation⁽¹⁾	Total Taxes Levied⁽²⁾	Current & Delinquent Taxes Collected⁽³⁾	
				Amount	%
2024	\$5.7232	\$37,606,112	\$2,152,273	\$2,152,865	100.03%
2023	5.7232	36,177,699	2,070,522	2,130,324	102.89
2022	5.7232	32,651,519	1,868,712	1,863,112	99.70
2021	4.4732	30,254,830	1,353,359	1,416,409	104.66
2020	4.3672	30,169,414	1,317,559	1,343,056	101.94

Source: District's Annual Secretary of the Board Reports for fiscal years ended June 30, 2020 through 2024.

- (1) The assessed valuation used is the assessed valuation of the District as adjusted through December 31 of the calendar year prior to the fiscal year shown.
- (2) Total Taxes Levied is calculated by dividing Assessed Valuation by 100 and multiplying by the Total Levy.
- (3) Delinquent taxes are shown in the year payment is actually received, which may cause the percentage of Current and Delinquent Taxes Collected to exceed 100%.

Major Property Taxpayers

The following table sets forth a list of the largest taxpayers in the District based on the assessed valuation of property owned as of January 1, 2024, as finally equalized. The District has not independently verified the accuracy or completeness of such information.

Real Property

	Owner	Assessed Valuation	Percentage of Total Assessed Valuation
1.	Vertical Bridge Holdings	\$233,197	0.61%
2.	West Central Electric	215,782	0.56
3.	Individual	142,154	0.37
4.	Individual	98,413	0.26
5.	Individual	96,687	0.25
6.	Individual	91,160	0.24
7.	NW Electric Cooperative Inc.	87,210	0.23
8.	Individual	84,397	0.22
9.	Individual	80,981	0.21
10.	Individual Trust	80,315	0.21
	Total	\$1,210,296	3.17%

Source: Lafayette County Assessor's Office.

Personal Property

	<u>Owner</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
1.	Secon Construction, Inc.	\$344,700	0.90%
2.	Beckemeyer Brothers, Inc.	333,633	0.87
3.	Shaw Construction, Inc.	268,550	0.70
4.	Tilly Farms, Inc.	213,820	0.56
5.	Niendick Brothers	184,610	0.48
6.	Superior Rail System, LLC	172,260	0.45
7.	RTS Trucking LLC	152,120	0.40
8.	Niendick Cattle and Grain, Inc.	135,020	0.35
9.	Quest Rail LLC	134,390	0.35
10.	Individual	<u>115,020</u>	<u>0.30</u>
	Total	\$2,054,123	5.37%

Source: Lafayette County Assessor's Office.

(THIS PAGE LEFT BLANK INTENTIONALLY)

APPENDIX B

**AUDITED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**WELLINGTON-NAPOLEON R-IX SCHOOL DISTRICT
WELLINGTON, MISSOURI**

**FINANCIAL STATEMENTS TOGETHER
WITH INDEPENDENT AUDITORS' REPORT**

FOR THE YEAR ENDED JUNE 30, 2024

**WELLINGTON-NAPOLEON R-IX SCHOOL DISTRICT
TABLE OF CONTENTS**

Independent Auditors' Report	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
Statement of Net Position - Cash Basis	11
Statement of Activities - Cash Basis.....	12
Balance Sheet - Cash Basis - Governmental Funds.....	13
Statement of Revenues, Expenditures and Changes in Fund Balances - Cash Basis - Governmental Funds	14
Notes to the Basic Financial Statements.....	15
Supplementary Information:	
Budgetary Comparison Schedule - Cash Basis:	
General Fund.....	24
Special Revenue Fund.....	25
Debt Service Fund.....	26
Capital Projects Fund	27
Notes to the Budgetary Comparison Schedule	28
Schedule of Revenues Collected by Source	29
Internal Control and Compliance:	
Independent Accountants' Report on the Administration's Assertion About Compliance with Specified Requirements of Missouri Laws and Regulations.....	31
Schedule of Selected Statistics - Unaudited	32
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 <i>Government Auditing Standards</i>	36
Schedule of Findings and Responses.....	38



INDEPENDENT AUDITORS' REPORT

To the Board of Education
Wellington-Napoleon R-IX School District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying cash basis financial statements of the governmental activities and each major fund of Wellington-Napoleon R-IX School District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District'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 cash basis financial position of the governmental activities and each major fund of Wellington-Napoleon R-IX School District as of June 30, 2024, and the respective changes in cash basis financial position, thereof for the year then ended in accordance with the basis of accounting described in Note A.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 Wellington-Napoleon R-IX School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - Basis of Accounting

We draw attention to Note A of the financial statements that describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note A; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District'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 District'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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole, on the basis of accounting described in Note A.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the management's discussion and analysis, on pages 4 through 10, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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 August 14, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Westbrook & Co., P.C.".

Richmond, Missouri
August 14, 2024

Wellington-Napoleon R-IX Schools

Mike Zykan
President

David Twente
Vice President

Jeremy Ahmann
Treasurer

James Evans
Elementary Principal
816-240-2631

800 Hwy.131
Wellington, Mo 64097
816-240-2621
Fax: 816-857-7030
Brad Briscoe, *Superintendent*

Justin Mefferd
High School Principal
816-240-2621

Members
Justin Reade
Melissa Register
Clint Osborn

Elaine Burnett
Bookkeeper
Board Secretary

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

The discussion and analysis of Wellington-Napoleon R-IX School District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should review the basic financial statements, notes to the financial statements and other supplemental information to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for the 2024 fiscal year are as follows:

- 1) Operating fund balances for the District (General Fund and Special Revenue Fund) increased by \$386,715 from \$1,910,442 to \$2,297,157.
- 2) District operating funds revenues increased by \$53,690 from \$5,723,455 to \$5,777,145.
- 3) District operating funds expenditures increased by \$25,834 from \$5,289,777 to \$5,315,611.
- 4) The District's long-term debt decreased by \$125,000 from \$3,037,959 to \$2,912,959.
- 5) The ending balance in the Capital Projects Fund increased by \$75,649 from \$197,585 to \$273,234.

Using this Annual Report

This annual report consists of two distinct series of financial statements: the district-wide reports and fund financials.

- Government-wide Financial Reports: Provide both *short-term* and *long-term* information about the District's overall financial status. Government-wide statements include the Statement of Net Position and Statement of Activities.
- Fund Financial Statements: Focus on *individual funds* of the District, reporting activities in *more detail*. These statements show how services were financed in the short-term as well as what remains for future spending.

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

The view of the District as a whole looks at all financial transactions and asks the questions, “Are we in a better financial position this year than last?” and “Why” or “Why not.” The Statement of Net Position and the Statement of Activities provide the basis for answering these questions. The statements include *all assets and liabilities* using the *cash basis of accounting*.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The financial statements are presented on the cash basis of accounting.

These two statements report the District’s net position and change in net position. The change in net position is important because it tells the reader that, for the District as a whole, the *financial position* of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the District’s property tax base, facility conditions, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities the District reports governmental activities. Governmental activities are the activities where most of the District’s programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation, food service and extracurricular activities.

Reporting the District’s Most Significant Funds

Fund financial reports provide detailed information about the District’s major funds. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund types are used by the District:

Governmental Funds:

General Fund: Accounts for and reports all financial resources not accounted for and reported in another fund.

Special Revenue Fund: Accounts for and reports the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt Service Fund: Accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

Capital Projects Fund: Accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for capital outlay, including the acquisition or construction of capital facilities and other capital assets.

The District as A Whole

The Statement of Net Position provides the perspective of the District as a whole. Table 1 provides a summary and comparison of the District’s net position for 2024 and 2023.

TABLE 1

	Governmental Activities	
	2024	2023
ASSETS		
Cash and cash equivalents	\$ 2,368,362	\$ 1,816,558
Cash - MOHEFA	142,505	139,481
Certificates of deposit	<u>1,200,637</u>	<u>1,062,813</u>
Total Assets	<u>\$ 3,711,504</u>	<u>\$ 3,018,852</u>
NET POSITION		
Restricted for:		
Capital outlay	\$ 273,234	\$ 197,585
Debt service	1,141,113	910,825
Unrestricted	<u>2,297,157</u>	<u>1,910,442</u>
Total Net Position	<u>\$ 3,711,504</u>	<u>\$ 3,018,852</u>

Total assets at June 30, 2024 were reported at \$3,711,504.

Unrestricted net position that can be used to finance day-to-day activities without constraints established by grants or legal requirements were \$2,297,157. The District has restricted net position of \$1,141,113 to comply with requirements imposed by creditors and \$273,234 restricted for capital outlay.

Table 2 shows the change in net position for fiscal years 2024 and 2023.

TABLE 2
REVENUES

	<u>2024</u>	<u>2023</u>
Program Revenues:		
Charges for services	\$ 390,014	\$ 424,930
Operating grants and contributions	1,040,571	1,082,852
Capital grants and contributions	<u>12,056</u>	<u>21,249</u>
Total Program Revenues	<u>1,442,641</u>	<u>1,529,031</u>
General Revenues:		
Property taxes	2,152,864	2,130,324
Basic formula	1,562,788	1,559,789
Sales tax	527,172	518,084
State assessed utilities	360,831	329,598
Earnings on investments	250,684	99,490
Fines and escheats	30,831	43,135
M & M surtax	4,674	4,178
Financial institution tax	75	146
Other revenue	<u>73,667</u>	<u>43,846</u>
Total General Revenues	4,963,586	4,728,590
Special Item - bond proceeds	<u>1,975,000</u>	<u>-</u>
Total General Revenues and Special Item	<u>6,938,586</u>	<u>4,728,590</u>
Total Revenues	<u>8,381,227</u>	<u>6,257,621</u>
PROGRAM EXPENSES		
Instruction	2,517,281	2,411,644
Student activities	397,916	384,251
Student services	379,184	351,443
Instructional staff support	80,033	144,313
General administration and central services	556,118	589,644
Building administration	362,694	357,205
Operation of plant	530,105	522,257
Transportation	264,600	296,406
Food service	201,417	222,254
Community services	113,138	117,151
Facility acquisition and construction	-	2,018
Debt Service:		
Principal retirement	2,100,000	101,441
Interest and fees	<u>186,089</u>	<u>149,560</u>
Total Program Expenses	<u>7,688,575</u>	<u>5,649,587</u>
CHANGE IN NET POSITION	692,652	608,034
Net Position Beginning of Year	<u>3,018,852</u>	<u>2,410,818</u>
Net Position End of Year	<u><u>\$ 3,711,504</u></u>	<u><u>\$ 3,018,852</u></u>

Governmental Activities

Revenues

General revenues totaled \$4,963,586. The three largest sources of general revenue for Wellington-Napoleon R-IX School District are generated from local property taxes \$2,152,864, the State Basic Foundation Formula \$1,562,788 and Proposition C sales tax \$527,172. Program specific revenues in the form of operating and capital grants totaled \$1,052,627. State and federal reimbursement for transportation and food service were \$149,551 and \$116,754, respectively. Charges for services, including student activities and food service, totaled \$390,014

Expenditures

Expenditures for governmental activities totaled \$7,688,575. Only \$1,442,641 was offset by program specific charges for services, grants or contributions. General revenues, primarily property taxes, sales tax, the basic formula and to a lesser extent state assessed utilities, fines and earnings on investments provided for program activities.

The Statement of Activities shows the costs of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. That is, it identifies the costs of these services supported by tax revenue and unrestricted State entitlements.

TABLE 3

	2024		2023	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 2,517,281	\$ 1,818,202	\$ 2,411,644	\$ 1,875,090
Student activities	397,916	151,145	384,251	134,212
Student services	379,184	379,184	351,443	328,337
Instructional staff support	80,033	64,247	144,313	48,976
General administration and central services	556,118	556,118	589,644	509,807
Building administration	362,694	362,694	357,205	322,279
Operation of plant	530,105	530,105	522,257	522,167
Transportation	264,600	115,049	296,406	109,439
Food service	201,417	(24,442)	222,254	(7,485)
Community services	113,138	7,543	117,151	24,715
Facility acquisition and construction	-	-	2,018	2,018
Debt Service:				
Principal retirement	2,100,000	2,100,000	101,441	101,441
Interest and fees	186,089	186,089	149,560	149,560
Total Governmental Activities	<u>\$ 7,688,575</u>	<u>\$ 6,245,934</u>	<u>\$ 5,649,587</u>	<u>\$ 4,120,556</u>

Instruction includes activities directly dealing with the teaching of pupils and the interaction between teacher and pupil.

Student activities includes activities that add to a student's educational experience but are not related to educational activities.

Student services include guidance and counseling, health services, as well as the costs of student attendance reporting.

Instructional staff support includes the activities involved with assisting staff with the content and process of teaching pupils.

General administration and central services includes the expenses associated with administrative and financial supervision of the District and office support staff. It also includes expenses related to planning, research, development and evaluation of instructional and support services, as well as the reporting of this information internally and to the public.

Building administration includes the cost of salaries and benefits for building level principals and office support staff.

Operation of plant activities involves keeping the school grounds, buildings, and equipment in an effective working condition.

Transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Food service includes the preparation, delivery, and servicing of lunches, snacks, and other incidental meals to students and school staff in connection with school activities.

Community services includes expense related to student activities provided by the District which are designed to provide opportunities for pupils to participate in school events, public events, or a combination of these for the purpose of motivation, enjoyment and skill improvement.

Facility acquisition and construction includes expenditures for land or existing buildings; improvement of grounds; construction of buildings; remodeling of buildings; initial equipment; additional equipment; and replacement of equipment.

Debt service involves the transactions associated with the payment of principal, interest and other related charges for debt of the District.

The District's Funds

The District's funds are accounted for using the cash basis of accounting. All governmental funds had total revenues of \$6,406,227 and total expenditures of \$7,688,575. The net change in fund balances for the year was significant in the General Fund which increased \$386,715 and the Debt Service Fund which increased \$230,288. The District does a concerted effort to monitor expenditures.

General Fund Budgeting Highlights

Missouri statutes are very specific regarding public school finance. These laws establish funds which must be used in the accounting process and place certain limits upon the use of revenue and expenditure transactions allowed in these funds. The District's budget is prepared according to Missouri law and is based on accounting for certain transactions on the cash basis. The most significant budgeted fund is the General Fund.

The General Fund actual revenue was \$3,213,222 representing a \$92,402 decrease over the original budget estimate of \$3,305,624. Most of the variance is due to not having actual figures for state revenues. Total actual General Fund expenditures were \$2,083,580 representing a \$39,865 decrease from the original budget estimate of \$2,123,445.

Debt Administration

As of June 30, 2024, the District had \$2,912,959 in outstanding debt. This represents a decrease of \$125,000 from the \$3,037,959 in outstanding debt that existed as of June 30, 2023.

TABLE 4

Outstanding Debt

	2024	2023
Series 2010B General Obligation Qualified Bonds	\$ 717,959	\$ 717,959
Series 2014 General Obligation Refunding Bonds	220,000	320,000
Series 2023 General Obligation Refunding Bonds	1,975,000	2,000,000
	<u>\$ 2,912,959</u>	<u>\$ 3,037,959</u>

The Series 2010B Bonds were issued to provide funds for the construction, equipping, and furnishing of an addition to the media center and cafeteria/kitchen; the completion of a security and safety project; and the completion of other remodeling and repair improvements to the existing facilities of the District.

The Series 2014 Bonds in the amount of \$1,080,000 provided funds to refund \$1,080,000 of the outstanding principal amount of the District's General Obligation Bonds Series 2010A.

The Series 2023 Bonds in the amount of \$1,975,000 provided funds to refund \$1,974,345 of the outstanding principal amount of the District's General Obligation Bonds Series 2019, resulting in \$81,024 net present value savings.

Current Financial Issues and Concerns

The Wellington-Napoleon R-IX School District is financially sound, and trending in a positive direction. Over the past two years Wellington-Napoleon R-IX been able to increase our fund balance +14% through increases in revenue, sound budgeting practices, and fiscally responsible spending. Like many school districts WN R-IX is facing pressure as continued legislation and tax cuts which can divert money from public schools. Future fiscal factors to consider include student enrollment, and how this will affect revenue (Sub 350 ADA formula calculation and small schools grant vs >350 ADA), as well as legislation affecting personal property taxation. The challenge will be to maintain and grow in the areas of student achievement and student support while remaining fiscally efficient and responsible. The District has managed to grow fund balance reserves while making progress forward in the quality of education provided to our students. Future challenges will be met head on to ensure the quality of education for our students is held to the highest of standards.

Contacting the School District's Financial Management

This financial report is designed to provide our taxpayers, investors and creditors with a general overview of the Wellington-Napoleon R-IX School District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Wellington-Napoleon R-IX School District at 800 Highway 131, P.O. Box 280, Wellington, Missouri 64097 or at 816-240-2621.

WELLINGTON-NAPOLEON R-IX SCHOOL DISTRICT
STATEMENT OF NET POSITION - CASH BASIS
JUNE 30, 2024

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and cash equivalents	\$ 2,368,362
Cash - MOHEFA	142,505
Certificates of deposit	<u>1,200,637</u>
Total assets	<u><u>\$ 3,711,504</u></u>
NET POSITION	
Restricted for:	
Capital outlay	\$ 273,234
Debt service	1,141,113
Unrestricted	<u>2,297,157</u>
Total net position	<u><u>\$ 3,711,504</u></u>

See accompanying notes to the basic financial statements.

WELLINGTON-NAPOLEON R-IX SCHOOL DISTRICT
STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2024

		PROGRAM REVENUES			Net (Expenditures)
		Charges for	Operating	Capital	Revenue and
	Expenditures	Services	Grants and Contributions	Grants and Contributions	Change in Net Position
					Governmental
GOVERNMENTAL ACTIVITIES					
Instruction	\$ 2,517,281	\$ -	\$ 687,023	\$ 12,056	\$ (1,818,202)
Student activities	397,916	246,771	-	-	(151,145)
Student services	379,184	-	-	-	(379,184)
Instructional staff support	80,033	-	15,786	-	(64,247)
General administration and central services	556,118	-	-	-	(556,118)
Building administration	362,694	-	-	-	(362,694)
Operation of plant	530,105	-	-	-	(530,105)
Transportation	264,600	-	149,551	-	(115,049)
Food service	201,417	109,105	116,754	-	24,442
Community services	113,138	34,138	71,457	-	(7,543)
Facilities acquisition and construction	-	-	-	-	-
Debt service:					
Principal retirement	2,100,000	-	-	-	(2,100,000)
Interest and fees	186,089	-	-	-	(186,089)
Total Governmental Activities	<u>\$ 7,688,575</u>	<u>\$ 390,014</u>	<u>\$ 1,040,571</u>	<u>\$ 12,056</u>	<u>(6,245,934)</u>
General Revenues:					
					2,152,864
					1,562,788
					527,172
					360,831
					250,684
					30,831
					4,674
					75
					73,667
Total General Revenues					4,963,586
Special item - Bond proceeds					1,975,000
Total General Revenues and Special Item					6,938,586
Change in net position					692,652
Net Position Beginning of Year					3,018,852
Net Position End of Year					<u>\$ 3,711,504</u>

See accompanying notes to the basic financial statements.

WELLINGTON-NAPOLEON R-IX SCHOOL DISTRICT
BALANCE SHEET - CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR JUNE 30, 2024

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>	<u>DEBT SERVICE FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>TOTALS GOVERNMENTAL FUNDS</u>
ASSETS					
Cash and cash equivalents	\$ 1,744,830	\$ -	\$ 350,298	\$ 273,234	\$ 2,368,362
Cash - MOHEFA	-	-	142,505	-	142,505
Certificates of deposit	<u>552,327</u>	<u>-</u>	<u>648,310</u>	<u>-</u>	<u>1,200,637</u>
Total assets	<u><u>\$ 2,297,157</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,141,113</u></u>	<u><u>\$ 273,234</u></u>	<u><u>\$ 3,711,504</u></u>
FUND BALANCES					
Fund balances:					
Restricted	\$ -	\$ -	\$ 1,141,113	\$ -	\$ 1,141,113
Committed	-	-	-	47,651	47,651
Assigned	323,606	-	-	225,583	549,189
Unassigned	<u>1,973,551</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,973,551</u>
Total fund balances	<u><u>\$ 2,297,157</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,141,113</u></u>	<u><u>\$ 273,234</u></u>	<u><u>\$ 3,711,504</u></u>

See accompanying notes to the basic financial statements.

WELLINGTON-NAPOLEON R-IX SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
CASH BASIS - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local	\$ 2,270,327	\$ 561,252	\$ 443,822	\$ 50,082	\$ 3,325,483
County	347,510	30,831	61,421	25,567	465,329
State	390,741	1,827,054	-	12,056	2,229,851
Federal	204,644	144,786	36,134	-	385,564
Total Revenues	<u>3,213,222</u>	<u>2,563,923</u>	<u>541,377</u>	<u>87,705</u>	<u>6,406,227</u>
EXPENDITURES:					
Instruction	146,117	2,341,801	-	29,363	2,517,281
Student activities	303,820	94,096	-	-	397,916
Student services	169,593	209,591	-	-	379,184
Instructional staff support	34,680	45,353	-	-	80,033
General administration and central services	347,012	201,111	-	7,995	556,118
Building level administration	86,976	275,718	-	-	362,694
Operation of plant	480,588	-	-	49,517	530,105
Transportation	252,000	12,600	-	-	264,600
Food service	201,417	-	-	-	201,417
Community services	61,377	51,761	-	-	113,138
Facilities acquisition and construction	-	-	-	-	-
Debt service:					
Principal retirement	-	-	2,100,000	-	2,100,000
Interest and fees	-	-	186,089	-	186,089
Total Expenditures	<u>2,083,580</u>	<u>3,232,031</u>	<u>2,286,089</u>	<u>86,875</u>	<u>7,688,575</u>
Revenues Over (Under) Expenditures	<u>1,129,642</u>	<u>(668,108)</u>	<u>(1,744,712)</u>	<u>830</u>	<u>(1,282,348)</u>
Other Financing Sources (Uses):					
Transfers	(742,927)	668,108	-	74,819	-
Proceeds from bonds	-	-	1,975,000	-	1,975,000
Total Other Financing Sources (Uses)	<u>(742,927)</u>	<u>668,108</u>	<u>1,975,000</u>	<u>74,819</u>	<u>1,975,000</u>
Net change in fund balances	386,715	-	230,288	75,649	692,652
Fund balance, beginning	<u>1,910,442</u>	<u>-</u>	<u>910,825</u>	<u>197,585</u>	<u>3,018,852</u>
Fund balance, ending	<u>\$ 2,297,157</u>	<u>\$ -</u>	<u>\$ 1,141,113</u>	<u>\$ 273,234</u>	<u>\$ 3,711,504</u>

See accompanying notes to the basic financial statements.

WELLINGTON-NAPOLEON R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles Used to Determine Scope of Entity: The District's reporting entity includes the District's governing board and all related organizations.

The combined financial statements of the District include all organizations that raise and hold economic resources for the direct benefit of the District. The District has implemented GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and 34*. GASB Statement No. 61 amended GASB Statement No. 14. GASB Statement No. 61 modifies certain requirements for inclusion of component units in the financial reporting entity.

The District has determined that no outside agency meets the criteria set forth in GASB Statement No. 61 and, therefore, no other agency has been included as a component unit in the District's financial statements.

Basis of Presentation: The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements - The Statement of Net Position and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the District.

The Statement of Net Position presents the financial condition of the governmental activities of the District at year-end. The Statement of Activities presents a comparison between direct expenditures and program revenues for each program or function of the District's governmental activities. Direct expenditures are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenditures with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund-Financial Statements - During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

Fund Accounting: The accounts of the District are organized on the basis of funds, 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 balance, revenues and expenditures. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following funds are used by the District:

Major Governmental Funds:

General Fund: Accounts for and reports all financial resources not accounted for and reported in another fund.

WELLINGTON-NAPOLEON R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Special Revenue Fund: Accounts for and reports the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt Service Fund: Accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

Capital Projects Fund: Accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for capital outlay, including the acquisition or construction of capital facilities and other capital assets.

Measurement Focus

Government-wide Financial Statements: The government-wide financial statements are prepared using the total economic measurement focus. All assets and liabilities arising from cash basis transactions are included on the Statement of Net Position.

Fund Financial Statements: All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement of focus, only current assets and current liabilities generally are included on the balance sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach does not differ from the manner in which the governmental activities of the District-wide financial statements are prepared.

Basis of Accounting: In the government-wide Statement of Net Position and Statement of Activities and the fund financial statements, governmental activities are presented using the cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues and expenditures when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Pooled Cash: Cash resources of the individual funds are combined to form a pool of cash, which is managed by the District's Treasurer. Interest income received is allocated to contributing funds based on cash balances. The investment pool is available for use by all funds except the Debt Service Fund (State law requires that all deposits of the Debt Service Fund be kept separate and apart from all other funds of the District).

Paid Days Off: Paid days off leave is considered as expenditures in the year paid. Paid days off will be cumulative to 100 days, with any unused paid days off exceeding 100 days at end of any year paid at \$15 per day. Retiring certified staff with 15 consecutive years of service in the District is paid at \$50 per day for unused paid days off up to 50 days and \$15 per day for additional days up to a total of 100; non-certified staff is paid at 75% of the cost of the employee's daily salary for the first 50 days and 25% of the cost of the employee's daily salary for additional days up to 100 days.

OPEB Liabilities: As the District uses the cash basis of accounting, other post-employment benefits (OPEB) liabilities are not reported in these financial statements. The District has not provided for an estimate of this liability to be performed.

WELLINGTON-NAPOLEON R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE B - DEPOSITS AND INVESTMENTS

Custodial credit risk: For deposits, custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. At June 30, 2024, the bank balances of the District's deposits totaled \$2,483,255. Of this amount \$250,000 was covered by FDIC insurance and \$2,233,255 was supported by collateral, held by banks in the District's name that do not hold the collateralized deposits.

Interest rate risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that specifically limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk: Credit risk is defined as the risk that an issuer or other counterparties to an investment in debt securities will not fulfill its obligation.

The District is participating in the program created by Senate Bill 301 administered by the Missouri Health and Educational Authority (MOHEFA). The program intercepts a portion of state aid and places those funds in escrow to pay the current debt service requirement of the District's outstanding bonds. The District's investments in MOHEFA are not rated by any of the nationally recognized statistical rating organizations. At June 30, 2024, the District had \$142,505 invested with MOHEFA.

During 2019, the District began funding a sinking fund for payment of the Series 2010B outstanding bonds at maturity on March 1, 2025. The balance of this fund at June 30, 2024 was \$648,310.

Concentration of credit risk: Concentration of credit risk is the risk loss attributed to the magnitude of a government's investment in a single user. The District's investment policy establishes diversification by security type and issuer.

Certificates of deposit: Certificates of deposit with maturities in excess of three months are reported separately but are considered deposits for custodial risk determination. As of June 30, 2024, the balance of the certificates of deposit was \$1,200,638, of which \$500,000 was covered by FDIC and \$700,638 was covered by collateral.

NOTE C - 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. Lafayette County collects the property tax and remits it to the District.

The District also receives sales tax collected by the state and remitted based on weighted average daily attendance. The District is required to reduce its property tax levy by one-half the amount of sales tax estimated to be received in the subsequent calendar year. The District's voters have approved a waiver of the rollback and, therefore, the District was not required to reduce its levy for the calendar year 2023.

The assessed valuation of the tangible taxable property for the calendar year 2023 for purposes of local taxation was:

Real Estate:	
Residential	\$ 20,336,502
Agriculture	2,205,284
Commercial	1,476,159
Personal Property	13,588,167
	<u>\$ 37,606,112</u>

WELLINGTON-NAPOLEON R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE C - TAXES (continued)

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2023 for purposes of local taxation was:

	<u>Unadjusted</u>	<u>Adjusted</u>
General Fund	\$ 4.7173	\$ 4.7173
Special Revenue Fund	-	-
Debt Service Fund	0.8859	0.8859
Capital Projects Fund	<u>0.1200</u>	<u>0.1200</u>
	<u>\$ 5.7232</u>	<u>\$ 5.7232</u>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2024, aggregated approximately 100 percent of the current assessment computed on the basis of the levy as shown above.

NOTE D - INSURANCE

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District has joined with other schools to form the Missouri United School Insurance Council (MUSIC), a public entity risk pool currently operating as a common risk management and insurance program for its members. The District pays an annual premium to MUSIC for its insurance coverage. Such coverage allows for liability claims up to \$3,500,000, property claims to various amounts and worker's compensation claims to statutory limits. The District does not maintain reinsurance for claims in excess of \$3,500,000 which are not covered by MUSIC as the administration believes the risk of loss for a claim of this magnitude is remote.

NOTE E - RETIREMENT PLAN

PSRS is a mandatory cost-sharing multiple employer retirement system for all full-time certificated employees and certain part-time certificated employees of all public school districts in Missouri (except the school districts of St. Louis and Kansas City) and all public community colleges. PSRS also includes certificated employees of PSRS, Missouri State Teachers' Association, Missouri State High School Activities Association, and certain employees of the state of Missouri who elected to remain covered by PSRS under legislation enacted in 1986, 1987 and 1989. The majority of PSRS members are exempt from Social Security contributions. In some instances, positions may be determined not to be exempt from Social Security contributions. Any PSRS member who is required to contribute to Social Security comes under the requirements of Section 169.070 (9) RSMo, known as the "2/3's statute." PSRS members required to contribute to Social Security are required to contribute two-thirds of the approved PSRS contribution rate and their employer is required to match the contribution. The members' benefits are further calculated at two-thirds the normal benefit amount. An Annual Comprehensive Financial Report ("ACFR") can be obtained at www.psrspers.org.

PSRS is a defined benefit plan providing retirement, disability, and death/survivor benefits. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of 5 years of service, (b) have 30 years of service or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 2.5% benefit factor. Beginning July 1, 2001, and ending July 1, 2014, a 2.55% benefit factor is used to calculate benefits for members who have 31 or more years of service. Actuarially age-reduced benefits are available for members with five to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can

WELLINGTON-NAPOLEON R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE E - RETIREMENT PLAN (continued)

elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount. A Summary Plan Description detailing the provisions of the plan can be found on PSRS' website at www.psr-peers.org. Since the prior valuation date, the benefit provisions were amended to make permanent an early retirement benefit allowing members to retire at any age after 25 years of service.

PSRS members were required to contribute 14.5% of their annual covered salary during fiscal year 2024. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 1% of pay. Contributions for employees of the State of Missouri were made by the state in accordance with the actuarially determined contribution rate needed to fund current costs and prior service costs of state employees as authorized in Section 104.342.8 RSMo.

The District's contributions to PSRS for the year ended June 30, 2024 were \$336,084. The District's contributions to S-PSRS, the "2/3's statute", for the year ended June 30, 2024, were \$0.

PEERS is a mandatory cost-sharing multiple employer retirement system for all public school district employees (except the school districts of St. Louis and Kansas City), employees of the Missouri Association of School Administrators, and community college employees (except the Community College of St. Louis). Employees of covered districts who work 20 or more hours per week on a regular basis and who are not contributing members of the Public School Retirement System of Missouri (PSRS must contribute to PEERS. Employees of PSRS who do not hold Missouri educator certificates also contribute to PEERS. PEERS was established as a trust fund by an Act of the Missouri General Assembly effective October 13, 1965. Statutes governing the System are found in Sections 169.600-169.715 and Sections 169.560-169.595 RSMo. The statutes place responsibility for the operation of PEERS on the Board of Trustees of the Public School Retirement System of Missouri. An Annual Comprehensive Financial Report ("ACFR") can be obtained at www.psr-peers.org.

PEERS is a defined benefit plan providing service retirement and disability benefits to its members. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of five years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 1.61% benefit factor. Members qualifying for "Rule of 80" or "30-and-out" are entitled to an additional temporary .8% benefit multiplier until reaching minimum Social Security age (currently age 62). Actuarially age-reduced retirement benefits are available with five years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount. A Summary Plan Description detailing the provisions of the plan can be found on PSRS' website at www.psr-peers.org.

PEERS members were required to contribute 6.86% of their annual covered salary during fiscal year 2024. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 0.5% of pay.

The District's contributions to PEERS for the year ended June 30, 2024 were \$54,902.

WELLINGTON-NAPOLEON R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE F - INTERFUND TRANSFERS

During the year, the District transferred \$668,108 from the General Fund to the Special Revenue Fund to avoid deficit spending in the Special Revenue Fund.

Also, during the year, the District made a \$74,819 transfer from the General Fund to the Capital Projects Fund for necessary capital outlay expenditures. This revenue transfer is capped by an amount calculated annually by the Missouri Department of Elementary and Secondary Education (DESE).

NOTE G - LONG-TERM DEBT

Changes in long-term debt during the fiscal year were as follows:

	Balance			Balance	Amount
	June 30, 2023	Additions	Retirements	June 30, 2024	Due Within
					One Year
General Obligation Bonds	\$ 3,037,959	\$ 1,975,000	\$ 2,100,000	\$ 2,912,959	\$ 817,959

On December 6, 2023, the District issued \$1,975,000 Series 2023 General Obligation Refunding Bonds to refund \$1,974,345 of the Series 2019 Bonds maturing March 1, 2024. This refunding was undertaken to obtain an economic gain of \$81,024.

NOTE H - GENERAL OBLIGATION BONDS

Bonds payable at June 30, 2024 consist of:

Series 2010 general obligation qualified school construction bonds, interest at 5.3% due semi-annual, principal due March 1, 2025	\$ 717,959
Series 2014 general obligation refunding bonds due in varying annual installments through March 1, 2027, interest at 2.15 to 2.65%	220,000
Series 2023 general obligation refunding bonds due in varying annual installments through March 1, 2035, interest at 4.5%	<u>1,975,000</u>
Total Bonds	<u><u>\$ 2,912,959</u></u>

WELLINGTON-NAPOLEON R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE H - GENERAL OBLIGATION BONDS (continued)

Debt service requirements to maturity are:

Year ending June 30,	Principal	Interest	Total
2025	\$ 817,959	\$ 153,591	\$ 971,550
2026	345,000	92,055	437,055
2027	225,000	78,750	303,750
2028	225,000	68,625	293,625
2029	175,000	58,500	233,500
2030	175,000	50,625	225,625
2031	175,000	42,750	217,750
2032	175,000	34,875	209,875
2033	200,000	27,000	227,000
2034	200,000	18,000	218,000
2035	200,000	9,000	209,000
Total	<u>\$ 2,912,959</u>	<u>\$ 633,771</u>	<u>\$ 3,546,730</u>

NOTE I - LEASE COMMITMENT

The District leases copiers from a third party under a non-cancelable agreement with a term of 60 months. Lease expenditures for the year ended June 30, 2024 were \$8,328. Future minimum lease payments under the lease are as follows:

Year ending June 30,	
2025	\$ 8,328
2026	8,328
2027	8,328
2028	8,328
Total	<u>\$ 33,312</u>

NOTE K - COMMITMENT

During the year, the District entered into a contract to seal coat, fill cracks and restripe the parking lot. As of June 30, 2024, the remaining balance on this contract was \$47,651.

NOTE L - FUND BALANCES - GOVERNMENTAL FUNDS

Statement No. 54 of the Governmental Accounting Standards Board (GASB 54) establishes accounting and financial reporting standards for all governments that report governmental funds. GASB 54 establishes criteria for classifying fund balances and clarifies definitions for governmental fund types.

WELLINGTON-NAPOLEON R-IX SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE L - FUND BALANCES - GOVERNMENTAL FUNDS (continued)

GASB 54 establishes five (5) fund balance categories: Nonspendable, Restricted, Committed, Assigned and Unassigned:

Nonspendable fund balance - Funds that cannot be spent due to their form (e.g., inventories and prepaid) or funds that legally or contractually must be maintained intact.

Restricted fund balance - Funds that are mandated for a specific purpose by external parties, constitutional provisions or enabling legislation.

Committed fund balance - Funds that are set aside for a specific purpose by the District's highest level of decision-making authority. Formal action must be taken prior to the end of the fiscal year. The same formal action must be taken to remove or change the limitations placed on the funds.

Assigned fund balance - Funds that are set aside with the intent to be used for a specific purpose by the District's highest level of decision-making authority to a body or official who has been given the authority to assign funds. Assigned funds are residual amounts in governmental funds other than the General Funds. Assigned funds cannot cause a deficit in unassigned fund balance.

Unassigned fund balance - Excess funds that have not been classified in the previous four (4) categories. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative fund balance.

When both restricted and unrestricted funds are available for expenditure, restricted funds should be spent first unless legal requirements disallow it.

As of June 30, 2024, fund balances are composed of the following:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund
Restricted:				
Debt service	\$ -	\$ -	\$1,141,113	\$ -
Capital outlay	-	-	-	-
Professional development	-	-	-	-
Total restricted	-	-	1,141,113	-
Committed:				
Construction project	-	-	-	47,651
Assigned:				
Capital projects	-	-	-	225,583
Food service	70,464	-	-	-
Student activities	253,142	-	-	-
Total assigned	323,606	-	-	225,583
Unassigned	1,973,551	-	-	-
Total fund balances	<u>\$ 2,297,157</u>	<u>\$ -</u>	<u>\$1,141,113</u>	<u>\$ 273,234</u>

SUPPLEMENTARY INFORMATION

WELLINGTON-NAPOLEON R-IX SCHOOL DISTRICT
BUDGETARY COMPARISION SCHEDULE - CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	BUDGET			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
REVENUES:				
Local	\$ 2,056,204	\$ 2,156,562	\$ 2,270,327	\$ 113,765
County	270,000	310,000	347,510	37,510
State	823,468	352,527	390,741	38,214
Federal	155,952	156,886	204,644	47,758
Total Revenues	3,305,624	2,975,975	3,213,222	237,247
EXPENDITURES:				
Instruction	190,344	148,875	146,117	2,758
Student activities	185,000	229,682	303,820	(74,138)
Student services	178,535	179,698	169,593	10,105
Instructional staff support	37,200	47,500	34,680	12,820
General administration and central services	240,967	382,127	347,012	35,115
Building administration	95,848	96,974	86,976	9,998
Operation of plant	632,509	494,756	480,588	14,168
Transportation	299,586	299,325	252,000	47,325
Food service	219,209	218,331	201,417	16,914
Community services	44,247	47,183	61,377	(14,194)
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total Expenditures	2,123,445	2,144,451	2,083,580	60,871
Revenues Over (Under) Expenditures	1,182,179	831,524	1,129,642	298,118
Other Financing Sources (Uses):				
Transfers	(1,168,105)	(963,685)	(742,927)	220,758
Net change in fund balance	14,074	(132,161)	386,715	518,876
Fund balance, beginning	1,212,234	1,083,295	1,910,442	827,147
Fund balance, ending	\$ 1,226,308	\$ 951,134	\$ 2,297,157	\$ 1,346,023

See accompanying notes to the budgetary comparison schedule.

WELLINGTON-NAPOLEON R-IX SCHOOL DISTRICT
BUDGETARY COMPARISION SCHEDULE - CASH BASIS
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2024

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES:				
Local	\$ 467,994	\$ 464,922	\$ 561,252	\$ 96,330
County	38,000	20,500	30,831	10,331
State	1,380,910	1,823,410	1,827,054	3,644
Federal	137,997	128,564	144,786	16,222
Total Revenues	2,024,901	2,437,396	2,563,923	126,527
EXPENDITURES:				
Instruction	2,409,311	2,459,788	2,341,801	117,987
Student activities	-	71,398	94,096	(22,698)
Student services	201,597	211,992	209,591	2,401
Instructional staff support	37,510	42,676	45,353	(2,677)
General administration and central services	216,230	209,792	201,111	8,681
Building administration	276,898	276,787	275,718	1,069
Operation of plant	-	-	-	-
Transportation	-	-	12,600	(12,600)
Food service	-	-	-	-
Community services	51,460	53,829	51,761	2,068
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total Expenditures	3,193,006	3,326,262	3,232,031	94,231
Revenues Over (Under) Expenditures	(1,168,105)	(888,866)	(668,108)	220,758
Other Financing Sources (Uses):				
Transfers	1,168,105	888,866	668,108	(220,758)
Net change in fund balance	-	-	-	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	\$ -	\$ -	\$ -	\$ -

See accompanying notes to the budgetary comparison schedule.

WELLINGTON-NAPOLEON R-IX SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2024

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES:				
Local	\$ 313,391	\$ 407,820	\$ 443,822	\$ 36,002
County	35,000	60,000	61,421	1,421
State	-	-	-	-
Federal	-	-	36,134	36,134
Total Revenues	<u>348,391</u>	<u>467,820</u>	<u>541,377</u>	<u>73,557</u>
EXPENDITURES:				
Instruction	-	-	-	-
Student activities	-	-	-	-
Student services	-	-	-	-
Instructional staff support	-	-	-	-
General administration and central services	-	-	-	-
Building administration	-	-	-	-
Operation of plant	-	-	-	-
Transportation	-	-	-	-
Food service	-	-	-	-
Community services	-	-	-	-
Debt service:				
Principal retirement	232,500	2,232,500	2,100,000	132,500
Interest and fees	<u>80,296</u>	<u>180,296</u>	<u>186,089</u>	<u>(5,793)</u>
Total Expenditures	<u>312,796</u>	<u>2,412,796</u>	<u>2,286,089</u>	<u>126,707</u>
Revenues Over (Under) Expenditures	35,595	(1,944,976)	(1,744,712)	200,264
Other Financing Sources (Uses):				
Proceeds from refunding bonds	<u>-</u>	<u>1,975,000</u>	<u>1,975,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,975,000</u>	<u>1,975,000</u>	<u>-</u>
Net change in fund balance	35,595	30,024	230,288	200,264
Fund balance, beginning	<u>546,924</u>	<u>534,574</u>	<u>910,825</u>	<u>376,251</u>
Fund balance, ending	<u>\$ 582,519</u>	<u>\$ 564,598</u>	<u>\$ 1,141,113</u>	<u>\$ 576,515</u>

See accompanying notes to the budgetary comparison schedule.

**WELLINGTON-NAPOLEON R-IX SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES:				
Local	\$ 42,624	\$ 45,640	\$ 50,082	\$ 4,442
County	15,000	25,000	25,567	567
State	-	8,375	12,056	3,681
Total Revenues	57,624	79,015	87,705	8,690
EXPENDITURES:				
Instruction	16,500	32,000	29,363	2,637
Student activities	-	-	-	-
Student services	-	-	-	-
Instructional staff support	-	-	-	-
General administration and central services	3,000	8,000	7,995	5
Building administration	-	-	-	-
Operation of plant	35,000	140,000	49,517	90,483
Transportation	-	-	-	-
Food service	-	3,000	-	3,000
Community services	-	-	-	-
Facility acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total Expenditures	54,500	183,000	86,875	96,125
Revenues Over (Under) Expenditures	3,124	(103,985)	830	104,815
Other Financing Sources (Uses):				
Transfers	-	74,819	74,819	-
Net change in fund balance	3,124	(29,166)	75,649	104,815
Fund balance, beginning	286,104	240,557	197,585	(42,972)
Fund balance, ending	\$ 289,228	\$ 211,391	\$ 273,234	\$ 61,843

See accompanying notes to the budgetary comparison schedule.

WELLINGTON-NAPOLEON R-IX SCHOOL DISTRICT
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
JUNE 30, 2024

Budgetary Process

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 67, RSMo, the District adopts a budget for each fund.
2. Prior to July, the superintendent, who serves as the budget officer, submits to the Board of Education a proposed budget for the fiscal year beginning on the following July 1. The proposed budget includes estimated revenues and proposed expenditures for all funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.
3. A public hearing is conducted to obtain taxpayer comments. Prior to its approval by the Board of Education, the budget document is available for public inspection.
4. Prior to July 1, the budget is legally enacted by a vote of the Board of Education.
5. Subsequent to its formal approval of the budget, the Board of Education has the authority to make necessary adjustments to the budget by formal vote of the Board. Adjustments made during the year are reflected in the final budget information included in the financial statements.
6. Budgets for District funds are prepared and adopted on the cash basis (budget basis), recognizing revenues when collected and expenditures when paid.

WELLINGTON-NAPOLEON R-IX SCHOOL DISTRICT
SCHEDULE OF REVENUES COLLECTED BY SOURCE
FOR THE YEAR ENDED JUNE 30, 2024

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL
LOCAL:					
Property tax	\$ 1,775,876	\$ -	\$ 332,015	\$ 44,973	\$ 2,152,864
Sales tax	-	527,172	-	-	527,172
Financial institution tax	-	75	-	-	75
M & M surtax	-	-	-	4,674	4,674
Earnings on investments	138,437	5	111,807	435	250,684
Food service	109,105	-	-	-	109,105
Student activities	246,771	-	-	-	246,771
Community services	138	34,000	-	-	34,138
Total Local	<u>2,270,327</u>	<u>561,252</u>	<u>443,822</u>	<u>50,082</u>	<u>3,325,483</u>
COUNTY:					
Fines and escheats	-	30,831	-	-	30,831
State assessed utilities	274,103	-	61,192	25,536	360,831
Federal properties	1,217	-	229	31	1,477
Other county revenue	72,190	-	-	-	72,190
Total County	<u>347,510</u>	<u>30,831</u>	<u>61,421</u>	<u>25,567</u>	<u>465,329</u>
STATE:					
Basic formula	-	1,578,574	-	-	1,578,574
Transportation aid	149,551	-	-	-	149,551
Basic formula - Classroom trust fund	-	167,668	-	-	167,668
Early Childhood Special Ed.	5,083	-	-	-	5,083
Educational screening program/PAT	29,468	-	-	-	29,468
Missouri preschool project	41,989	-	-	-	41,989
Career ladder	-	42,300	-	-	42,300
Career education	-	-	-	12,056	12,056
Food service	977	-	-	-	977
Teacher Baseline Salary Grant	-	38,512	-	-	38,512
High Need Fund	153,218	-	-	-	153,218
Other state revenue	10,455	-	-	-	10,455
Total State	<u>390,741</u>	<u>1,827,054</u>	<u>-</u>	<u>12,056</u>	<u>2,229,851</u>
FEDERAL:					
Title I	-	47,131	-	-	47,131
Title II A	9,303	-	-	-	9,303
Title IV.A	14,131	-	-	-	14,131
Title VI Rural Education Initiative	41,133	-	-	-	41,133
Perkins	-	2,174	-	-	2,174
Medicaid	12,210	-	-	-	12,210
Individuals with Disabilities	-	82,267	-	-	82,267
IDEA grants	11,990	-	-	-	11,990
Early Childhood Special Ed.	-	4,214	-	-	4,214
Child Nutrition Program	115,777	-	-	-	115,777
Education Stabilization Fund	-	9,000	-	-	9,000
Other federal revenue	100	-	36,134	-	36,234
Total Federal	<u>204,644</u>	<u>144,786</u>	<u>36,134</u>	<u>-</u>	<u>385,564</u>
OTHER:					
Bond proceeds	-	-	1,975,000	-	1,975,000
Total Other	<u>-</u>	<u>-</u>	<u>1,975,000</u>	<u>-</u>	<u>1,975,000</u>
Total Revenues Collected	<u>\$ 3,213,222</u>	<u>\$ 2,563,923</u>	<u>\$ 2,516,377</u>	<u>\$ 87,705</u>	<u>\$ 8,381,227</u>

INTERNAL CONTROL AND COMPLIANCE



**INDEPENDENT ACCOUNTANTS' REPORT ON THE ADMINISTRATION'S
ASSERTION ABOUT COMPLIANCE WITH SPECIFIED REQUIREMENTS
OF MISSOURI LAWS AND REGULATIONS**

To the Board of Education
Wellington-Napoleon R-IX School District

We have examined the administration's assertion, included in its representation letter dated August 14, 2024, that Wellington-Napoleon R-IX School District complied with the requirements of Missouri Laws and Regulations regarding budgetary and disbursement procedures; accurate disclosure by the District's attendance records of average daily attendance, resident membership on the last Wednesday of September 2023 and the number of students eligible to receive free or reduced price lunches on the last Wednesday of January 2024; and accurate disclosure by the District's pupil transportation records of the average students scheduled to be transported eligible and ineligible for state aid, the number of miles eligible and ineligible for state aid and the allowable costs for pupil transportation during the year ended June 30, 2024. As discussed in that representation letter, the administration is responsible for the District's assertion. Our responsibility is to express an opinion on the administration's assertion about the District's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the administration's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether the administration's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the administration's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the administration's assertion that the District complied with the aforementioned requirements for the year ended June 30, 2024 is fairly stated, in all material respects.

This report is intended solely for the information and use of the Board of Education, the administration and the Missouri Department of Elementary and Secondary Education and is not intended to be, and should not be, used by anyone other than these specified parties.

Westbrook & Co., P.C.

Richmond, Missouri
August 14, 2024

**WELLINGTON-NAPOLEON R-IX SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2024**

County District Number: 054-043

1. CALENDAR (SECTIONS 160.041, 171.029, 171.031, AND 171.033 RSMO)

Report each unique calendar the district/charter school has as defined by Sections 160.041, 171.029, 171.031, and 171.033, RSMo.

School Code	Begin Grade	End Grade	Half Day Indicator	Standard Day Length	Days	Hours in Session
4020	K	5		6.8500	153	1,044.02
1050	6	12		6.8500	153	1,044.02

2. ATTENDANCE HOURS

Report the total number of PK-12 student attendance hours allowed to be claimed for the calculation of Average Daily Attendance.

School Code	Grade Level	Full-Time	Part-Time	Remedial Hours	Other	Summer School	Total
4020	K-5	156,740	0			2,978	159,718
1050	6-12	196,042	0			1,125	197,167
Resident II	K-12	1,581					1,581
Grand Total		354,363	0			4,103	358,466

3. SEPTEMBER MEMBERSHIP

Report the FTE count of resident students in grades PK-12 taken the last Wednesday in September who are enrolled on the count day **and** in attendance at least 1 of the 10 previous school days, by grade at each attendance center. This count should only include PK students marked as being eligible to be claimed for state aid in the October MOSIS Student Core File.

School Code	Grade Level	Full-Time	Part-Time	Other	Total
4020	K-5	159	0.00		159.00
1050	6-12	205	0.00		205.00
Grand Total		364	0.00		364.00

**WELLINGTON-NAPOLEON R-IX SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2024**

County District Number: 054-043

4. FREE AND REDUCED PRICED LUNCH FTE COUNT (SECTION 163.011(6), RSMO)

Report the FTE count taken the last Wednesday in January of resident students enrolled in grades K-12 and in attendance at least 1 of the 10 previous school days whose eligibility for free or reduced lunch is documented through the application process using federal eligibility guidelines or through the direct certification process. Desegregation students are considered residents of the district in which the students are educated.

School Code	Free Lunch	Reduced Lunch	Deseg In Free	Deseg In Reduced	Total
4020	42.00	6.00			48.00
1050	37.00	7.00			44.00
Resident II	1.00	0			1.00
Grand Total	80.00	13.00			93.00

5. FINANCE

Answer the following questions with an appropriate response of true, false, or N/A unless otherwise noted.

Section	Question	Answer
5.1	The district/charter school maintained a calendar in accordance with 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported.	True
5.2	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation and reporting by category of Average Daily Attendance, which includes the reporting of calendar and attendance hours, for all students in accordance with all applicable state rules and regulations. Sampling of records included those students receiving instruction in the following categories:	True
	Academic Programs Off-Campus	N/A
	Career Exploration Program – Off Campus	True
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	N/A
	Dual enrollment	True
	Homebound instruction	True
	Missouri Options	N/A
	Prekindergarten eligible to be claimed for state aid	N/A
	Remediation	N/A
	Sheltered Workshop participation	N/A
	Students participating in the school flex program	N/A
	Traditional instruction (full and part-time students)	True
	Virtual instruction (MOCAP or other option)	N/A

**WELLINGTON-NAPOLEON R-IX SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2024**

County District Number: 054-043

	Work Experience for Students with Disabilities	N/A
5.3	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of September Membership for all students in accordance with all applicable state rules and regulations.	True
5.4	The district/charter school maintained complete and accurate attendance and other applicable records allowing for the accurate reporting of the State FTE count for Free and Reduced Lunch for all students in accordance with all applicable state rules and regulations.	True
5.5	As required by Section 162.401, RSMo, a bond was purchased for the district's school treasurer or as required by Section 160.405, RSMo, a bond was purchased for the charter schools chief financial officer or an insurance policy issued by an insurance company that proves coverage in the event of employee theft in the total amount of:	\$50,000
5.6	The district's/charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo., and the Missouri Financial Accounting Manual.	True
5.7	The district maintained a separate bank account for all Debt Service Fund monies in accordance with Section 108.180 and 165.011, RSMo. (Not applicable to charter schools)	True
5.8	Salaries reported for educators in the October MOSIS Educator Core and Educator School files are supported by complete and accurate payroll and contract records. This includes payments for Teacher Baseline Salary Grants and Career Ladder if applicable.	True
5.9	If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approved a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. (Not applicable to charter schools)	N/A
5.10	The district/charter school published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.	True
5.11	The district has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. (Not applicable to charter schools.)	True
5.12	The amount spent for approved professional development committee plan activities was:	\$16,753
5.13	The District/Charter school has posted, at least quarterly, a searchable expenditure and revenue document or database detailing actual income, expenditures, and disbursement for the current calendar or fiscal year on the District or School website or other form of social media as required by Section 160.066, RSMo.	True

**WELLINGTON-NAPOLEON R-IX SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2024**

County District Number: 054-043

6. TRANSPORTATION (SECTION 163.161, RSMO)

Answer the following questions with an appropriate response of true, false, or N/A unless otherwise noted.

Section	Question	Answer
6.1	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	True
6.2	The district's/charter school's pupil transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported.	True
6.3	Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:	True
	Eligible ADT	106.5
	Ineligible ADT	13.0
6.4	The district's/charter school's transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year.	True
6.5	Actual odometer records show the total district/charter-operated and contracted mileage for the year was:	91,569
6.6	Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route and disapproved miles (combined) was:	
	Eligible Miles	70,273
	Ineligible Miles (Non-Route/Disapproved)	21,296
6.7	Number of days the district/charter school operated the school transportation system during the regular school year:	153



**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 Education
Wellington-Napoleon R-IX School District

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 cash basis financial statements of the governmental activities and each major fund of Wellington-Napoleon R-IX School District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated August 14, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2024-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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 determination of financial statement amounts. 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*.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in the schedule of findings and responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Westbrook & Co., P.C.".

Richmond, Missouri
August 14, 2024

**WELLINGTON-NAPOLEON R-IX SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2024**

SIGNIFICANT DEFICIENCY

2024-001 SEGREGATION OF DUTIES

Condition: The bookkeeper performs the following duties: sets up new employees in the computer, inputs payroll information, authorizes the direct deposit information, posts journal entries, maintains the general ledger, has the ability to sign checks, performs the bank reconciliation and is the accounting software system administrator. The superintendent retrieves the bank statement from the bank and reviews the banking activity and check images for propriety.

Criteria: Accounting duties should be segregated such that no one individual has sole care, custody and control of District assets.

Cause: The limited number of District administrative support staff does not allow for adequate segregation of accounting duties.

Effect: Inadequate controls could allow for errors or fraud to occur.

Recommendation: Consideration should be given to reassigning the accounting software system administrator function to the IT department, consider removing the bookkeeper as a check signor, and assigning custody of the board signature stamps to an individual who is not part of the check processing function. The superintendent should continue his review and approve all journal entries made as well as reconciling the direct deposit listing to the bank withdrawal.

Auditee's Response: The superintendent must approve all expenditures in the accounting software in order for a check to be generated. The superintendent understands his role as a mitigating control over the cash disbursement process.

(THIS PAGE LEFT BLANK INTENTIONALLY)

APPENDIX C

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated as of [_____, 2025] (the “**Continuing Disclosure Undertaking**”), is executed and delivered by **WELLINGTON-NAPOLEON R-IX SCHOOL DISTRICT** (the “**District**”).

RECITALS

1. This Continuing Disclosure Undertaking is being executed and delivered in connection with the delivery by the District of **\$2,950,000 General Obligation School Building Bonds (Missouri Direct Deposit Program), Series 2025** (the “**Bonds**”), pursuant to a resolution adopted by the governing body of the District on June 11, 2025 (the “**Resolution**”).

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

The District covenants and agrees as follows:

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

“**Annual Report**” means any Annual Report provided by the District pursuant to, and as described in, **Section 2** of this Continuing Disclosure Undertaking.

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

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

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

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

“**Financial Obligation**” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; *provided however*, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Fiscal Year” means the 12-month period beginning on July 1 and ending on June 30 or any other 12-month period selected by the District as the Fiscal Year of the District for financial reporting purposes.

“Material Events” means any of the events listed in **Section 3** of this Continuing Disclosure Undertaking.

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

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

Section 2. Provision of Annual Reports.

- (a) The District shall, not later than **December 31st** after the end of the District’s Fiscal Year, commencing with the Fiscal Year ending June 30, 2025, file, or cause to be filed, with the MSRB, through EMMA, the following financial information and operating data (the **“Annual Report”**):
- (1) The audited financial statements of the District for the prior fiscal year, prepared in accordance with the accounting principles stated in the notes to the financial statements attached as ***Appendix B*** to the Official Statement relating to the Bonds. 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 financial statements contained in the final Official Statement relating to the Bonds, and the audited financial statements shall be filed in the same manner as the Annual Report promptly after they become available.
 - (2) Updates as of the end of the Fiscal Year of certain financial information and operating data contained in tables located in the following described sections in ***Appendix A*** to the final Official Statement relating to the Bonds, which information may be contained in the audited financial statements of the District or any schedules supplemental thereto, with such modifications to the formatting and general presentation thereof as deemed appropriate by the District:

THE DISTRICT:

History of Enrollment

PROPERTY TAX INFORMATION CONCERNING THE DISTRICT:

Property Valuations:

Current Assessed Valuation

History of Property Valuations

History of Tax Levies

Tax Collection Record

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 District is an “obligated person” (as defined by the Rule), which have been provided to the MSRB and are available through EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB on EMMA. The District 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 District 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 District's fiscal year changes, it shall give notice of such change in the same manner as for a Material Event under **Section 3**.

If the District has not submitted the Annual Report to the MSRB by the date required by this **Section 2(a)**, the District shall, in a timely manner, send a notice to the MSRB of the failure of the District to file on a timely basis the Annual Report, which notice shall be in substantially the form attached as **Exhibit A** and shall be given by the District 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. Not later than 10 Business Days after the occurrence of any of the following events, the District shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Bonds ("**Material Events**"):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to rights of bondholders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the District;
- (13) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of the trustee, if material;
- (15) incurrence of a Financial Obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

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

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

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Undertaking, the District may amend this Continuing Disclosure Undertaking and any provision of this Continuing Disclosure Undertaking may be waived, provided that Bond Counsel or other counsel experienced in federal securities law matters provides the District with its written opinion that the undertaking of the District contained herein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to this Continuing Disclosure Undertaking.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Undertaking, the District 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 District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given in the same manner as for a Material Event under **Section 3**, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

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

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

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

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

Section 11. Counterparts. This Continuing Disclosure Undertaking may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 12. Electronic Transactions. The arrangement described herein may be conducted and related documents may be 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 13. Governing Law. This Continuing Disclosure Undertaking shall be governed by and construed in accordance with the laws of the State of Missouri.

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: **Wellington-Napoleon R-IX School District** (the “**District**”)

Name of Bond Issue: \$2,950,000 General Obligation School Building Bonds (Missouri Direct Deposit Program), Series 2025 (the “**Bonds**”)

Date of Issuance: _____, 2025

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Undertaking dated as of _____, 2025 by the District. [The District anticipates that the Annual Report will be provided by _____, 20__.]

Dated: _____, 20__

**WELLINGTON-NAPOLEON R-IX SCHOOL
DISTRICT**

(THIS PAGE LEFT BLANK INTENTIONALLY)

APPENDIX D

BOOK-ENTRY ONLY SYSTEM

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, New York, New York.

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

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

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 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 purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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.

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 issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District 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).

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

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

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

(THIS PAGE LEFT BLANK INTENTIONALLY)