

**NEW ISSUE
BOOK-ENTRY ONLY**

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

In the opinion of Gilmore & Bell, P.C., Special Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the interest component of Rental Payments paid by the District and distributed to the registered owners of the Series 2026 Certificates (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 District's obligation to pay Rental Payments under the Lease has not been designated as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code. Special Counsel notes that the interest component of Rental Payments paid by the District and distributed to the registered owners of the Series 2026 Certificates may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. See "TAX MATTERS" in this Official Statement.



\$33,433,013.00*
PERRY COUNTY SCHOOL DISTRICT NO. 32
CERTIFICATES OF PARTICIPATION
SERIES 2026

Dated: Date of Issuance

Due: April 15, as shown on inside cover page

The Series 2026 Certificates consist of Current Interest Certificates and Capital Appreciation Certificates. Principal Components will be payable each April 15 in the years shown on the inside cover page. Interest Components represented by the Current Interest Certificates will be payable on April 15 and October 15, beginning April 15, 2027*. Interest Components represented by the Capital Appreciation Certificates will compound semiannually on April 15 and October 15 of each year beginning April 15, 2027* until maturity and will be payable only at the maturity of the Capital Appreciation Certificates.

The Series 2026 Certificates evidence the ownership of proportionate interests in, and rights to receive payments under, a Lease Agreement dated as of October 1, 2026 (the "**Lease**") entered into between UMB Bank, N.A., as lessor, and Perry County School District No. 32 (the "**District**"), as lessee. The Series 2026 Certificates are to be executed and delivered pursuant to a Trust Indenture dated as of October 1, 2026 (the "**Indenture**"), between UMB Bank, N.A., as trustee (the "**Trustee**") and the District.

Neither the Series 2026 Certificates nor the Lease shall constitute a liability or obligation of the District beyond the Initial Term or Renewal Term in effect at any time. The District is under no obligation to renew the Lease at the end of the initial term or any renewal term. Neither the Series 2026 Certificates nor the Lease will constitute a general obligation or indebtedness of the District within the meaning of any constitutional or statutory debt limitation or restriction. The Trustee will have no financial obligation under the Lease or the Indenture.

An investment in the Series 2026 Certificates involves risk. Prospective purchasers should be able to evaluate the risks and merits of an investment in the Series 2026 Certificates before considering a purchase of the Series 2026 Certificates. See "RISK FACTORS AND INVESTMENT CONSIDERATIONS" herein.

The Series 2026 Certificates are subject to prepayment prior to maturity as more fully described herein.

MATURITY SCHEDULE: SEE INSIDE FRONT COVER

The Series 2026 Certificates will be offered when, as and if delivered and approved by the District, subject to prior sale, modification or withdrawal of the offer without sale, and subject to the approval of validity and certain other matters by Gilmore & Bell, P.C., Kansas City, Missouri, Special Counsel, and certain other conditions. 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 Series 2026 Certificates will be available for delivery in book-entry form through the facilities of DTC in New York, New York on or about _____, 2026.

RAYMOND JAMES®

The date of this Official Statement is _____, 2026

*Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion and 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 may this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor may 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.

\$33,433,013.00*
PERRY COUNTY SCHOOL DISTRICT NO. 32
CERTIFICATES OF PARTICIPATION
SERIES 2026

MATURITY SCHEDULE*

BASE CUSIP NO.: 71459P

\$20,080,000* Original Principal Amount of Current Interest Certificates

<u>Maturity</u> <u>(April 15)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>CUSIP</u> ¹
2043	\$4,295,000			
2044	4,725,000			
2045	5,280,000			
2046	5,780,000			

\$13,353,013.00* Original Principal Amount of Capital Appreciation Certificates

<u>Maturity</u> <u>(April 15)</u>	<u>Original</u> <u>Principal</u> <u>Amount*</u>	<u>Maturity</u> <u>Amount*</u>	<u>Original</u> <u>Principal</u> <u>Amount per</u> <u>\$5,000</u> <u>Maturity</u> <u>Amount</u>	<u>Initial Offering</u> <u>Price Per \$5,000</u> <u>Maturity</u> <u>Amount</u>	<u>Approx.</u> <u>Initial</u> <u>Offering</u> <u>Yield</u> <u>to Maturity</u>	<u>CUSIP</u> ¹
2029	\$ 4,532.25	\$ 5,000				
2030	246,807.15	285,000				
2031	313,420.20	380,000				
2032	372,300.25	475,000				
2033	471,284.30	635,000				
2034	511,058.40	730,000				
2035	520,396.70	790,000				
2036	1,115,309.50	1,805,000				
2037	1,142,320.25	1,975,000				
2038	1,811,785.80	3,345,000				
2039	1,777,650.00	3,500,000				
2040	1,726,422.00	3,660,000				
2041	1,689,566.20	3,830,000				
2042	1,650,160.00	4,000,000				

* Preliminary; subject to change.

¹ CUSIP Numbers have been assigned to this issue by CUSIP Global Services managed on behalf of the American Bankers Association by FactSet Research Systems Inc., and are included solely for the convenience of the Owners of the Series 2026 Certificates. Neither the District nor the Underwriter shall be responsible for the selection or correctness of the CUSIP numbers set forth above.

PERRY COUNTY SCHOOL DISTRICT NO. 32

326 College Street
Perryville, Missouri 63775
(573) 547-7500

BOARD OF EDUCATION

Dominic Blythe, President & Member
Nancy Voelker, Vice President & Member
Kevin Bachmann, Member
Mark Gremaud, Member
Dan Querry, Member
Caleb Streiler, Member
Terry Wichern, Member

Julie Wibbenmeyer, Secretary

ADMINISTRATION

Dr. Fara Jones, Superintendent
Craig Hayden, Assistant Superintendent

TRUSTEE

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

UNDERWRITER

Raymond James & Associates, Inc.
Leawood, Kansas

SPECIAL COUNSEL

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

CERTIFIED PUBLIC ACCOUNTANTS

Van de Ven, LLC
Cape Girardeau, 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 Series 2026 Certificates 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 Series 2026 Certificates 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 over allot or effect transactions that stabilize or maintain the market price of the Series 2026 Certificates at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The Series 2026 Certificates 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 Series 2026 Certificates 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 D** TO THIS OFFICIAL STATEMENT.

TABLE OF CONTENTS

	<u>Page</u>	<u>Page</u>
INTRODUCTION	1	
General	1	Pensions
Purpose of the Series 2026 Certificates	1	13
The District	2	Effects of Termination of the Lease on the
Facilities	2	Series 2026 Certificates.....
Risk Factors	2	14
Limited Obligations	2	Delays in Exercising Remedies.....
Financial Statements	3	14
Continuing Disclosure Information	3	Taxability
Compliance with Prior Undertakings Under		14
the Rule.....	3	Risk of Audit.....
Rating	3	15
Definitions and Descriptions; Inspection of		Power of Eminent Domain.....
Documents.....	3	15
PLAN OF FINANCE	4	Investment Ratings and Secondary Market. 16
The Project.....	4	Defeasance Risks
Proposition K.I.D.S. Operating Levy Increase	4	16
Insurance Proceeds	4	Cybersecurity Risks
Federal Disaster Assistance	4	16
Use of Series 2026 Certificate Proceeds.....	5	Senior Property Tax Credit Program
THE SERIES 2026 CERTIFICATES	5	17
Authorization	5	Homestead Property Tax Credit Program ... 17
Description.....	5	THE BOOK-ENTRY ONLY SYSTEM
Prepayment Provisions	6	18
CUSIP Numbers	7	APPROVAL OF LEGALITY
ADDITIONAL CERTIFICATES	7	18
SECURITY FOR THE SERIES 2026		TAX MATTERS
CERTIFICATES	7	18
Limited Obligations; Sources of Payment	7	Opinions of Special Counsel
Facilities	8	19
No Reserve Fund	9	Other Federal Income Tax Consequences... 19
RISK FACTORS AND INVESTMENT		Tax Consequences Subsequent to an Event of
CONSIDERATIONS	9	Default or Event of Nonappropriation 20
General	9	ABSENCE OF LITIGATION
Capital Appreciation Certificates	9	21
Limited Obligations	10	RATING
Termination of the Lease	10	21
Results of Nonappropriation.....	11	UNDERWRITING
Damage or Destruction of the Facilities	11	21
Construction Risks.....	12	CERTAIN RELATIONSHIPS
Bankruptcy.....	12	22
Amendment of the Indenture, Lease and Base		MISCELLANEOUS
Lease.....	12	22
No Reserve Fund or Credit Enhancement	12	Certification and Other Matters Regarding
Dilution of Security for the Series 2026		Official Statement
Certificates.....	12	22
Factors Affecting the Business Operations of		Additional Information.....
the District	13	22
Legislative Risks.....	13	
		APPENDIX A: General, Economic and Financial
		Information of the District
		APPENDIX B: Audited Financial Statements with
		Independent Auditor’s Report for
		the Fiscal Year Ended June 30,
		2025
		APPENDIX C: Definitions of Words and Terms
		and Summaries of Documents
		APPENDIX D: Form of the Continuing
		Disclosure Undertaking
		APPENDIX E: Table of Compound Amounts of
		Capital Appreciation Certificates
		APPENDIX F: Book-Entry Only System

CERTIFICATE ISSUE SUMMARY

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

District:	Perry County School District No. 32
Trustee/Lessor:	UMB Bank, N.A., St. Louis, Missouri
Issue:	\$33,433,013.00* original principal amount of Perry County School District No. 32, Certificates of Participation, Series 2026
Dated Date:	Original date of delivery
Interest Date:	<i>Current Interest Certificates:</i> The Interest Component of Rental Payments on the Current Interest Certificates is paid on each April 15 and October 15, commencing April 15, 2027*. <i>Capital Appreciation Certificates:</i> The Capital Appreciation Certificates do not pay current interest. The Interest Component of Rental Payments will compound semiannually on April 15 and October 15 of each year, beginning on April 15, 2027*, until maturity and will be payable only at maturity or upon earlier prepayment, as part of the Compound Amount.
Principal Due:	Principal Amount will be due annually on April 15 in the years and in the amounts shown on the inside cover page.
Optional Prepayment:	The Series 2026 Certificates are subject to optional prepayment as described under “THE SERIES 2026 CERTIFICATES – Prepayment Provisions.”
Authorization:	The Series 2026 Certificates are authorized by a resolution adopted by the Board of Education of the District and are issued and delivered pursuant to a Trust Indenture between the District and the Trustee.
Security:	The Series 2026 Certificates will be payable solely from Rental Payments under the Lease and certain other funds available to the Trustee as described under “SECURITY FOR THE SERIES 2026 CERTIFICATES” herein.
Rating:	S&P Global Ratings has assigned the Series 2026 Certificates the rating shown on the cover page hereof, based on the credit worthiness of the District. See “RATING.”
Purpose:	The Series 2026 Certificates are being issued for the purpose of acquiring, constructing, improving, repairing, renovating, furnishing and equipping school sites and facilities, including constructing, furnishing and equipping a new high school facility, as further described under “PLAN OF FINANCE” herein.
Tax Exemption:	Gilmore & Bell, P.C., Special Counsel, will provide an opinion as to the tax exemption of the Interest Component of Rental Payments paid by the District and distributed to the registered owners of the Series 2026 Certificates as discussed under “TAX MATTERS” in this Official Statement.
No Bank Qualification:	The District’s obligation to pay Rental Payments under the Lease has <u>not</u> been designated as a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.
Book-Entry Form:	The Series 2026 Certificates will be registered in the name of Cede & Co. as nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Series 2026 Certificates.

* Preliminary; subject to change.

OFFICIAL STATEMENT

\$33,433,013.00*
PERRY COUNTY SCHOOL DISTRICT NO. 32
CERTIFICATES OF PARTICIPATION
SERIES 2026

INTRODUCTION

General

The purpose of this Official Statement is to furnish information in connection with the offering and sale of \$33,433,013.00* original principal amount of Perry County School District No. 32, Certificates of Participation, Series 2026 (the “**Series 2026 Certificates**”), representing the proportionate interests of the owners thereof (the “**Registered Owners**”) in rental payments (the “**Rental Payments**”) to be made by Perry County School District No. 32, a school district and political subdivision of the State of Missouri (the “**District**”), pursuant to a Lease Agreement dated as of October 1, 2026 (the “**Lease**”), between UMB Bank, N.A., as Lessor, and the District, as Lessee.

The Series 2026 Certificates are being delivered pursuant to a Trust Indenture dated as of October 1, 2026 (the “**Indenture**”), between the District and UMB Bank, N.A., St. Louis, Missouri, as trustee (the “**Trustee**”), for the purpose of providing funds to pay the costs of: (1) acquiring, constructing, improving, repairing, renovating, furnishing and equipping school sites and facilities, including constructing, furnishing and equipping a new high school facility (the “**Project**”) located on or near certain real property owned by the District and located within the boundaries of the District (the “**Project Site**”), and (2) delivering the Series 2026 Certificates as described herein. The Project Site, the Project and all additions, modifications, improvements, replacements and substitutions made thereon and thereto and any additional facilities financed with Additional Certificates (as hereinafter defined) on the Project Site are collectively referred to as the “**Facilities**” as more fully described under the heading “**SECURITY FOR THE SERIES 2026 CERTIFICATES - Facilities.**”

Purpose of the Series 2026 Certificates

The Series 2026 Certificates are being issued to finance the costs of the Project, as more fully described under the heading “**PLAN OF FINANCE.**” Pursuant to the provisions of Section 177.088 of the Revised Statutes of Missouri, as amended (the “**Act**”), the District will lease the Project Site to the Trustee for a term ending June 30, 2056*, pursuant to a Base Lease dated as of October 1, 2026 (the “**Base Lease**”) between the Trustee and the District, and the proceeds of the Series 2026 Certificates will be used to finance the costs of the Project.

The Trustee, as Lessor, will then lease the Facilities to the District, as Lessee, pursuant to the Lease for an initial term commencing on the date of delivery of the Series 2026 Certificates and terminating on June 30, 2027* (the “**Initial Term**”), the last day of the District’s current fiscal year and, subject to annual renewal and budget appropriations at the option of the District, for one-year renewal terms, provided that the final renewal term does not extend beyond June 30, 2046* (the “**Renewal Terms**”).

Pursuant to the Indenture, the District will pledge and assign rents, revenues and receipts under the Lease and other moneys to the Trustee as security for the payment of the Series 2026 Certificates and the Interest Components with respect thereto. The Indenture provides for the possible future delivery of additional certificates (“**Additional Certificates**”) which, if delivered, would rank on a parity with the Series 2026 Certificates and any other certificates then outstanding under the Indenture. See “**ADDITIONAL**

* Preliminary; subject to change.

CERTIFICATES” herein. The Series 2026 Certificates and any future Additional Certificates delivered under the Indenture are hereinafter referred to collectively as the “**Certificates**.”

The delivery of the Series 2026 Certificates is authorized by a resolution adopted by the Board of Education, the governing body of the District, on September 9, 2026. See “**THE SERIES 2026 CERTIFICATES**.”

The District

The District is a school district and political subdivision organized and existing under the laws of the State of Missouri. The District’s headquarters are located in Perryville, Missouri. See *Appendix A* for additional information regarding the District.

Facilities

The Facilities located on, and which include the Project Site will constitute and serve as the newly constructed Perryville High School. On March 14, 2025, an EF2 tornado passed through the City of Perryville, including the campus of the District. The tornado damaged multiple District facilities and the most significant structural damage was sustained by Perryville High School, the Old Senior High School building and the building housing the District’s maintenance and information technology departments. Damage to the High School included the collapse of a portion of the west wall of the building, together with damage to roofing, windows, doors and exterior masonry. Following engineering and architectural evaluation of the damaged High School, the Board of Education of the District determined to replace the High School facility rather than repair it.

The Project, being financed with a portion of the Series 2026 Certificates, has a total estimated cost of \$60,000,000. The Facilities are subject to the Base Lease. For a further description of the Facilities, see “**SECURITY FOR THE SERIES 2026 CERTIFICATES – Facilities**.”

Risk Factors

Certain risks could affect the Rental Payments and other payments to be made by the District with respect to the Lease and the Series 2026 Certificates. See “**RISK FACTORS AND INVESTMENT CONSIDERATIONS**” herein.

Limited Obligations

The Series 2026 Certificates will be payable solely from the Rental Payments to be paid by the District under the Lease for the use of the Facilities, from certain proceeds of insurance policies or condemnation awards, from interest earnings on moneys in certain funds held by the Trustee, from money derived from the sale or lease of the Trustee’s interest in the Facilities or portions thereof, and not from any other fund or source of the Trustee. The obligation of the District to pay Rental Payments and Additional Payments is limited to those District funds which are specifically budgeted and appropriated annually by the Board of Education of the District for such purpose. No reserve fund has or will be established to secure payment of the Rental Payments. Rental Payments under the Lease will be paid by the District from amounts in the District’s Capital Projects Fund. See “**FINANCIAL INFORMATION CONCERNING THE DISTRICT**” in *Appendix A*.

Neither the Series 2026 Certificates, the Lease nor any payments required under the Lease shall constitute a mandatory payment obligation of the District in any year beyond the then current year for which the District has renewed and is a lessee under the Lease, or constitute or give rise to a general obligation or other indebtedness of the District. The District is not legally obligated to budget or appropriate moneys for any fiscal year beyond the current fiscal year or any subsequent fiscal year in which the Lease is in effect, and there can be no assurance that the District will appropriate funds to make Rental Payments or renew the Lease after the Initial

Term or any Renewal Term of the Lease. The District may terminate its obligations under the Lease on an annual basis. The District will have the option to purchase the Trustee's interest in the Facilities pursuant to the Lease.

The Series 2026 Certificates shall not constitute a debt or liability of the District or of the State of Missouri or of any political subdivision thereof and shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The delivery of the Series 2026 Certificates shall not obligate the District to levy any form of taxation therefor or to make any appropriation for their payment in any fiscal year subsequent to a fiscal year in which the Lease is in effect. The Trustee has no taxing power and no financial obligation under the Lease or the Indenture.

Financial Statements

Audited financial statements of the District, as of and for the year ended June 30, 2025, are included in **Appendix B** to this Official Statement. The financial statements contained therein were audited by Van de Ven, LLC, Cape Girardeau, Missouri, independent certified public accountants, to the extent and for the period indicated in the Independent Auditor's Report.

Continuing Disclosure Information

Pursuant to a Continuing Disclosure Undertaking dated as of [October 20, 2026] (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. The Form of Continuing Disclosure Undertaking is attached hereto in **Appendix D**.

The Board of Education of the District previously adopted Administrative Procedure DC-1-AP(1): Taxing and Borrowing Authority and Limitations on December 11, 2019, as revised, setting forth written policies and procedures to promote compliance with federal tax law and with the District's continuing disclosure undertakings for certain taxable, tax-exempt and other tax-advantaged obligations of the District after issuance of such 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, except that the District failed to file a Notice of a Financial Obligation in 2022 relating to a bus lease which has subsequently been paid in full.

Rating

The Series 2026 Certificates have received the rating set forth on the cover page from S&P Global Ratings on this issue. See "**RATING**" herein.

Definitions and Descriptions; Inspection of Documents

All capitalized terms used in this Official Statement not defined in the text hereof are defined under the caption "**Definitions of Words and Terms**" set forth in **Appendix C** to this Official Statement. Brief descriptions of the Series 2026 Certificates, the Lease, the Base Lease, the Indenture and certain other matters are included in this Official Statement. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Lease, the Base Lease and the Indenture are qualified in their entirety by reference to such documents, copies of which may be viewed at the District's administrative offices 326 College Street, Perryville, Missouri 63775, or will be provided to any prospective purchasers requesting the same, upon payment by such prospective purchasers of the cost of complying with such request. All references to the Series 2026

Certificates are qualified in their entirety by the definitive terms thereof and the information with respect thereto included in the Base Lease, the Lease, and the Indenture.

PLAN OF FINANCE

The Project

The Project consists of acquiring, constructing, improving, repairing, renovating, furnishing and equipping school sites and facilities, including constructing, furnishing and equipping a new high school facility.

The plans for the Project, prepared by Sapp Design Architects, contemplate salvaging and renovating selected portions of the existing structure, demolishing the remainder and constructing a new high school. As presently designed, the replacement facility will contain approximately 140,000 square feet and will include approximately 34 classrooms, a gymnasium, a library and a multipurpose center. Construction of the Project is estimated to be completed in January 2029. The Board of Education of the District has established a budget of approximately \$60,000,000 for the Project.

Proposition K.I.D.S. Operating Levy Increase

At an election held on August 4, 2026, the qualified voters of the District approved a proposition (“**Proposition K.I.D.S.**”) authorizing an increase in the District’s operating tax levy in the amount of \$0.2215 per \$100 of assessed valuation for a period of 20 years. The proposition was approved by approximately 57.34% of the votes cast. The District has advised that revenues attributable to the levy increase are expected to generate approximately \$35,000,000 for the Project.

Insurance Proceeds

The District maintained property insurance covering the facilities damaged by the tornado and has advised that it intends to apply the proceeds of its insurance settlement to the Project.

Federal Disaster Assistance

The District applied for disaster assistance under the Public Assistance Grant Program administered by the Federal Emergency Management Agency (“**FEMA**”) and the Missouri State Emergency Management Agency (“**SEMA**”). In June 2026, FEMA and SEMA notified the District that the High School building qualified for “replacement” under the program, having met FEMA’s “50 percent rule” (that is, the estimated cost to repair the damaged structure exceeds 50% of the estimated cost to replace it). That determination permits the District to seek reimbursement calculated on the basis of estimated replacement costs rather than repair costs. The District believes that FEMA assistance is expected to reimburse up to 75% of eligible costs not otherwise covered by insurance, and that such assistance is payable on a reimbursement basis after eligible costs have been incurred and documented.

On September 4, 2026, FEMA issued a press release indicating that it has approved \$22,400,000 in Public Assistance funding to support the replacement of the High School building.

Federal disaster assistance is subject to the availability of appropriated funds, to compliance by the District with applicable federal program requirements and to audit. Amounts obligated by FEMA are subject to adjustment, deobligation and recapture.

Use of Series 2026 Certificate Proceeds

Following is a summary of the anticipated sources and applications of funds in connection with the Series 2026 Certificates:

Sources of Funds:

Original Principal Amount of Series 2026 Certificates	\$33,433,013.00*
Total	<u>\$</u>

Uses of Funds:

Deposit into Project Fund for the Project	\$
Costs of Issuance **	
Total	<u>\$</u>

* Preliminary; subject to change.

** Including Underwriter's discount.

THE SERIES 2026 CERTIFICATES

Authorization

The Series 2026 Certificates are being delivered pursuant to the Indenture and pursuant to and in full compliance with the Constitution and laws of the State of Missouri, including particularly the Act, and pursuant to proceedings duly had by the District.

Description

The Series 2026 Certificates are dated as of the date of original delivery and will be delivered in fully registered form in the aggregate principal amount of \$33,433,013.00*, consisting of \$20,080,000.00* original principal amount of Current Interest Certificates and \$13,353,013.00* original principal amount of Capital Appreciation Certificates.

The Current Interest Certificates will mature on April 15 in the years and in the respective principal amounts (subject to prior prepayment as described herein) and shall bear interest at the respective rates per annum, as set forth on the inside cover page hereof (computed on the basis of a 360-day year of twelve 30-day months). Interest Components represented by the Current Interest Certificates shall be paid each April 15 and October 15, beginning April 15, 2027*. The Current Interest Certificates will be delivered in fully-registered form in the denominations of \$5,000 or any integral multiple thereof.

The Capital Appreciation Certificates will become due at maturity and in the Maturity Amounts set forth on the inside cover page hereof. The Capital Appreciation Certificates will be issued in denominations of \$5,000 Maturity Amount or any integral multiple thereof. Interest Components represented by the Capital Appreciation Certificates represents interest that will compound semiannually on each April 15 and October 15, beginning April 15, 2027*. The Maturity Amount represents the original principal amount of the Capital Appreciation Certificates plus accrued and compounded interest thereon from the date thereof until maturity at the respective rates per annum, as set forth on the inside cover page hereof (computed on the basis of a 360-day year of twelve 30-day months). Set forth in **Appendix E** to this Official Statement is a table showing the Compound Amounts of Capital Appreciation Certificates as of each April 15 and October 15, calculated as if the original principal amounts were equal to the initial offering prices set forth on the inside cover hereof and the actual interest rates were equal to the initial offering yields as set forth on the inside cover hereof.

* Preliminary; subject to change.

The Maturity Amount, Principal Components and premium, if any, of the Rental Payments represented by the Series 2026 Certificates shall be payable to the Registered Owner thereof at the corporate trust office of the Trustee or at such other office as the Trustee may indicate upon presentation and surrender thereof. Interest Components represented by the Current Interest Certificates shall be paid to the Registered Owner of each Current Interest Certificate, determined as of the close of business on the Record Date, which shall be the 15th day (whether or not a Business Day) of the calendar month next preceding the month in which an interest payment date occurs, (a) by check or draft mailed to such Registered Owner at the address appearing on the registration books of the Trustee or its successor, as registrar, or (b) upon the request and at the expense of any Registered Owner of \$500,000 or more in aggregate Principal Components of Current Interest Certificates (or Maturity Amount, in the case of Capital Appreciation Certificates), by electronic transfer to such Registered Owner upon written notice given to the Trustee by such Registered Owner not less than five (5) Business Days prior to the Record Date for such Interest Components, containing the electronic transfer instructions including the bank (which shall be in the continental United States), ABA routing number and account name and account number to which such Registered Owner wishes to have such transfer directed. All such payments shall be made in lawful money of the United States of America.

Prepayment Provisions

Optional Prepayment. The Current Interest Certificates maturing on April 15, 20__ and thereafter shall be subject to prepayment prior to maturity, upon instructions from the District, on and after April 15, 20__, in whole or in part at any time, at a prepayment price of 100% of the principal amount to be prepaid, plus accrued interest to the prepayment date.

The Capital Appreciation Certificates maturing on April 15, 20__ and thereafter shall be subject to prepayment prior to maturity, upon instructions from the District, on and after April 15, 20__, in whole or in part at any time, at a prepayment price equal to 100% of the Compound Amount of the Capital Appreciation Certificates to be prepaid, determined as of the prepayment date.

Extraordinary Optional Prepayment. The Series 2026 Certificates shall be subject to prepayment prior to the stated maturity thereof, upon instructions from the District, in whole or in part, on any date, at a prepayment price equal to 100% of the principal amount (or Compound Amount for Capital Appreciation Certificates) of the Series 2026 Certificates to be prepaid plus, in the case of Certificates other than Capital Appreciation Certificates, interest accrued thereon to the prepayment date, upon the occurrence of any of the following conditions or events:

- (1) if title to, or the use for a limited period of, all or substantially all of the Facilities is condemned by any authority having the power of eminent domain (other than the District or any entity controlled by or otherwise affiliated with the District);
- (2) if title to all or substantially all of the Facilities is found to be deficient or nonexistent to the extent that the efficient utilization of the Facilities by the District is impaired;
- (3) if all or substantially all of the Facilities is damaged or destroyed by fire or other casualty; or
- (4) if as a result of changes in the constitution of the State of Missouri, or of legislative or administrative action by the State of Missouri or any political subdivision thereof, or by the United States, or by reason of any action instituted in any court, the Base Lease, the Lease or the Indenture shall become void or unenforceable, or impossible of performance without unreasonable delay, or in any other way, by reason of such change of circumstances, unreasonable burdens or excessive liabilities are imposed on the District with respect to the Base Lease, the Lease or the Indenture.

Selection of Certificates to Be Prepaid. Certificates shall be prepaid only in principal amounts of \$5,000 (or, in the case of Capital Appreciation Certificates, \$5,000 Maturity Amount) or any integral multiple thereof. When less than all of the Outstanding Certificates of any series are to be prepaid prior to maturity (other than by mandatory sinking fund prepayment, if any), the District shall designate which maturities of such series of the Certificates shall be prepaid. Certificates to be prepaid of less than a full maturity shall be selected by the Trustee in \$5,000 units of face value (or, in the case of Capital Appreciation Certificates, \$5,000 units of Maturity Amount) by lot in such equitable manner as the Trustee may determine.

Notice and Effect of Call for Prepayment. Official notice of any prepayment of Certificates shall be given by the Trustee by mailing a copy of an official prepayment notice at least 20 days prior to the date fixed for prepayment by first class mail to the underwriter of the Series 2026 Certificates and the Owner of the Certificate or Certificates to be prepaid, unless waived by any Owner thereof, at the address shown on the Certificate Register as of the date of the notice, as more fully described in the Indenture.

Upon notice having been given as provided in the Indenture, the Registered Owners of such Certificates or portion of the Principal Component with respect to the Certificates thus called for prepayment shall no longer be entitled to receive any additional Interest Component of the Rental Payments after the specified prepayment date, and such Certificates or portion of the Principal Component with respect to the Series 2026 Certificates thus called for prepayment shall no longer be entitled to the protection, benefit or security of the Indenture and shall not be deemed to be Outstanding under the provisions of the Indenture.

CUSIP Numbers

It is anticipated that CUSIP identification numbers will be printed on the Series 2026 Certificates, but neither the failure to print such numbers on any Series 2026 Certificates, nor any error in the printing of such numbers shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and payment for any Series 2026 Certificates.

ADDITIONAL CERTIFICATES

The Trustee may, at the request of the District at any time upon compliance with certain terms and conditions set forth in the Indenture, deliver Additional Certificates for any purpose permitted under the Act without the consent of or notice to the Registered Owners of the Series 2026 Certificates. Any Additional Certificates will be equally and ratably secured by the Indenture on a parity with the Series 2026 Certificates except that the Trustee may deliver Additional Certificates which are not entitled to the benefits and security of reserve accounts, if any, established for any series of the Certificates.

SECURITY FOR THE SERIES 2026 CERTIFICATES

Limited Obligations; Sources of Payment

The Series 2026 Certificates evidence undivided ownership interests in the right to receive (i) the Rental Payments paid by the District for the lease of the Facilities pursuant to the Lease, and (ii) to the extent received by the Trustee, interest earnings, proceeds of insurance and condemnation awards, and proceeds of any lease or sale of the Trustee's interest in the Facilities. Under the Indenture, the Rental Payments under the Lease and the District's rights in the Lease and the Base Lease are assigned to the Trustee for the benefit of the Owners of the Certificates, as security for the payment of the Certificates and the Interest Components with respect thereto. The Base Lease provides that the District shall lease the Project Site and the improvements acquired and constructed thereon or installed therein to the Trustee for a Base Lease term ending June 30, 2056*. The Project

* Preliminary; subject to change.

Site includes real property and improvements located within the boundaries of the District, referred to herein as the “Facilities.” See “Facilities” below. The Facilities are being leased by the Trustee to the District pursuant to the Lease. The Indenture provides that the Facilities may be released from the Base Lease and the Lease upon defeasance or final payment of the Certificates

Neither the Series 2026 Certificates nor the Lease shall constitute a debt or liability of the District or of the State of Missouri or of any political subdivision thereof and shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The delivery of the Series 2026 Certificates shall not obligate the District to levy any form of taxation therefor or to make any appropriation for their payment in any fiscal year subsequent to a fiscal year in which the Lease is in effect.

Under the terms of the Lease, if the District elects to renew the Lease at the end of the Initial Term or any Renewal Term, it is obligated to budget, appropriate and set aside a portion of its revenues derived from property taxes and other sources in the Capital Projects Fund, which appropriation must be sufficient to make the Rental Payments, if any, coming due during the ensuing fiscal year. The District is obligated to make Rental Payments to the Trustee during each fiscal year in which the Lease is in effect on or before each certificate payment date, in amounts sufficient to enable the Trustee to pay the Principal Component, premium, if any, and Interest Component of the Rental Payments (or Compound Amount of the Rental Payments) represented by the Series 2026 Certificates becoming due during such fiscal year (but only if the District elects to renew the Lease for each Renewal Term).

Rental Payments under the Lease will be paid by the District from the District’s Capital Projects Fund. See “**FINANCIAL INFORMATION CONCERNING THE DISTRICT – Certain Permitted Fund Transfers**” in *Appendix A*.

THERE CAN BE NO ASSURANCE THAT THE DISTRICT WILL APPROPRIATE FUNDS FOR RENTAL PAYMENTS OR RENEW THE LEASE AFTER THE INITIAL LEASE TERM OR EACH RENEWAL TERM. NEITHER THE SERIES 2026 CERTIFICATES NOR THE LEASE CONSTITUTE A GENERAL OBLIGATION OR OTHER INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION, NOR A MANDATORY PAYMENT OBLIGATION IN ANY FISCAL YEAR SUBSEQUENT TO A FISCAL YEAR IN WHICH THE LEASE IS IN EFFECT. THE DISTRICT IS NOT LEGALLY REQUIRED TO BUDGET OR APPROPRIATE MONEYS FOR ANY SUBSEQUENT FISCAL YEAR BEYOND THE CURRENT FISCAL YEAR.

Facilities

The Facilities to be located on the Project Site include the new Perryville High School to be constructed in part with the proceeds of the Series 2026 Certificates. The High School will be approximately 140,000 square feet and will include approximately 34 classrooms, a gymnasium, a library and a multipurpose center. The Facilities are subject to the Base Lease.

No Title Insurance

Neither the Lease nor the Base Lease require the District to obtain a leasehold owner’s policy of title insurance for the Trustee’s benefit in connection with the execution and delivery of the Lease and the Trustee’s delivery of the Series 2026 Certificates. Under the Base Lease, the District represents, warrants and covenants that the District owns fee simple title to the Project Site at the time of delivery of the Series 2026 Certificates free and clear of any liens or encumbrances, except Permitted Encumbrances. In the event that title to, or the temporary use of, all or a portion of the Facilities is challenged or threatened by means of competent legal or equitable action, the District covenants under the Base Lease to cooperate with the Trustee and take all reasonable actions,

including where appropriate the lawful exercise of the District's power of eminent domain, in order to quiet title to the Facilities in the District.

Title deficiencies could result in unexpected expenses to the District and could adversely impact the District's ability to make payments on the Series 2026 Certificates. In addition, title deficiencies could delay or inhibit the Trustee's ability to exercise its remedies under the Lease or the Indenture, upon the occurrence of an Event of Nonappropriation or an Event of Default.

No Reserve Fund

No reserve fund has been or will be established to secure payment of the Series 2026 Certificates.

RISK FACTORS AND INVESTMENT CONSIDERATIONS

General

The following is a discussion of certain risks that could affect the payment of Rental Payments and other payments to be made by the District with respect to the Lease and the Series 2026 Certificates. In order to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement (including the Appendices hereto) in order to make a judgment as to whether the Series 2026 Certificates are an appropriate investment. Prospective purchasers of the Series 2026 Certificates should consider carefully all possible factors that may result in a default in the payment of the Principal Component or Interest Component of Rental Payments represented by the Series 2026 Certificates, by the District under the Lease, the prepayment of the Series 2026 Certificates prior to maturity or the determination that the Interest Component of the Rental Payments represented by the Series 2026 Certificates might be includible in gross income for purposes of federal and Missouri income taxation. The following list of possible factors, while not setting forth all the factors that must be considered, contains some of the factors that should be considered prior to purchasing the Series 2026 Certificates. **This discussion of risk factors is not, and is not intended to be, comprehensive or exhaustive.**

Capital Appreciation Certificates

A portion of the Series 2026 Certificates in the original principal amount of \$13,353,013.00* are Capital Appreciation Certificates. No portion of any Rental Payment will be applied as a payment of the Interest Component with respect to the Capital Appreciation Certificates prior to maturity or earlier prepayment. The Interest Component compounds semiannually on each April 15 and October 15 and is payable only at maturity, or upon earlier prepayment, as part of the Compound Amount. A Registered Owner will receive no cash payment with respect to a Capital Appreciation Certificate until the maturity or earlier prepayment of that Capital Appreciation Certificate. See "**THE SERIES 2026 CERTIFICATES – Description**" herein and *Appendix E* to this Official Statement

Because no current payments are made with respect to the Capital Appreciation Certificates, the market value of the Capital Appreciation Certificates may be more sensitive to changes in prevailing interest rates than the market value of obligations of comparable maturity that pay interest currently, and secondary market prices may be more volatile. The secondary market for capital appreciation obligations may also be more limited. Prospective purchasers should not assume that a secondary market will develop or that the Capital Appreciation Certificates may be sold at any particular price prior to maturity. See "**RISK FACTORS AND INVESTMENT CONSIDERATIONS – Investment Ratings and Secondary Market**" below.

* Preliminary; subject to change.

If the Capital Appreciation Certificates are prepaid prior to their stated maturity pursuant to the optional prepayment provisions described under “**THE SERIES 2026 CERTIFICATES – Prepayment Provisions**” herein, the prepayment price will equal 100% of the Compound Amount as of the prepayment date, which will be less than the Maturity Amount. A Registered Owner whose Capital Appreciation Certificate is prepaid prior to maturity will not receive the Maturity Amount of that Capital Appreciation Certificate.

Limited Obligations

The Series 2026 Certificates will not constitute an indebtedness or liability of the District, the State of Missouri, or any other political subdivision thereof within the meaning of any state constitutional provision or statutory limitation and will not constitute a pledge of the faith and the credit of the District, the State of Missouri, or any other political subdivision thereof. The issuance of the Series 2026 Certificates will not obligate the District, the State of Missouri, or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment in any year subsequent to a year in which the Lease is in effect.

The obligation of the District to pay Rental Payments and Additional Payments is limited to those funds that are specifically budgeted and appropriated annually by the District’s Board of Education for such purpose. **There can be no assurance that the District will appropriate funds for Rental Payments or renew the Lease after the Initial Term or any Renewal Term. Neither the Series 2026 Certificates nor the Lease constitute a general obligation or other indebtedness of the District, nor a mandatory payment obligation in any fiscal year subsequent to a fiscal year in which the Lease is in effect. The District is not legally required to budget or appropriate money for any subsequent fiscal year beyond the current fiscal year.**

Termination of the Lease

The Series 2026 Certificates are payable from Rental Payments due from the District under the Lease, which payments are subject to annual appropriation. The District is not obligated to renew the Lease or pay Rental Payments under the Lease in any Fiscal Year for which the Board of Education has not appropriated such payments. Neither the Rental Payments nor any other payments under the Lease nor any payments on the Series 2026 Certificates constitute a general obligation or other indebtedness of the District or a mandatory payment obligation of the District.

The obligations of the District under the Lease are limited to those funds that have been specifically budgeted and appropriated for the then current fiscal year by the Board of Education for such purpose. Except to the extent payable from the proceeds of the Series 2026 Certificates and income from the investment thereof, the Net Proceeds of certain insurance policies, condemnation awards or proceeds from the sale or sublease of the Trustee’s leasehold interest in the Facilities, the Principal Component and Interest Component of the Rental Payments represented by the Series 2026 Certificates are payable solely from Rental Payments during the Initial Term of the Lease and any Renewal Term. The District’s obligations under the Lease may be terminated on an annual basis by the District without any penalty, and there is no assurance that the District will continue to make payments under the Lease beyond the Initial Term or any current Renewal Term.

The likelihood that the District will renew the Lease through the term of the Series 2026 Certificates is dependent upon certain factors which are beyond the control of the Owners of the Certificates, including (i) the continuing need of the District for facilities such as the Facilities to provide educational services to students served by the District; (ii) the demographic conditions within the District, including the number of students attending classes in the District; (iii) the ability of the District to generate sufficient funds from property taxes, state aid and other sources to meet its obligations to make Rental Payments under the Lease and other obligations of the District; and (iv) new legislation or judicial interpretations which limit the ability of governmental bodies to increase fees and charges or result in limitations or roll-backs in tax rates or assessment.

Due to the nature of the Facilities, no assurance can be given that the Trustee could relet or assign its interest in the Facilities for the amount necessary (after taking into account money legally available

from other sources) to pay in full the Principal and Interest Components of Rental Payments then due with respect to the Certificates. The Facilities consists of school buildings and educational facilities and the number of potential purchasers or lessees may be limited. Furthermore, no assurance can be given that the amount, if any, realized upon any reletting or assignment of the Trustee's interest in the Facilities will be available to provide for the payment of the Certificates on a timely basis. A potential purchaser of the Series 2026 Certificates should not assume that it will be possible to sell or sublease the Trustee's interest in the Facilities after a termination of the Lease for an amount equal to the aggregate Principal Component and Interest Components of the Rental Payments represented by the Certificates then Outstanding.

Results of Nonappropriation

If the District does not budget and appropriate, specifically with respect to the Lease, moneys sufficient to pay all Rental Payments and all other amounts due under the Lease coming due each Fiscal Year during the term of the Lease and any renewals thereof, the Lease will terminate. The Lease is also subject to termination by the Trustee if any Event of Default has occurred and is continuing. In *Appendix C*, see “**Summary of Certain Provisions of the Lease – Event of Nonappropriation**” and “**Remedies on the Occurrence of an Event of Default or an Event of Nonappropriation.**”

Pursuant to the Base Lease, the District will lease the Project Site to the Trustee, as lessee. The Base Lease is for a term ending June 30, 2056*, unless sooner terminated in the event the District makes all payments required by the Lease. If the District terminates the Lease or if an Event of Default or Event of Nonappropriation occurs under the Indenture or the Lease, the Trustee, as assignee of the District, has the right to possession of the Facilities for the remainder of the term of the Base Lease, and has the right to sublease its interest in the Base Lease upon such terms as it deems prudent.

Damage or Destruction of the Facilities

The Lease requires the Facilities to be insured as described in “**SUMMARY OF CERTAIN PROVISIONS OF THE LEASE – Property and Casualty Insurance**” in *Appendix C*. If the Facilities are damaged or destroyed and if the District shall determine that rebuilding, repairing, restoring or replacing the Facilities is desirable, the District shall proceed with rebuilding, repairing, restoring or replacing of the property damaged or destroyed so as to place said Facilities in substantially the same condition as existed prior to the event causing such damage or destruction, with such changes, alterations and modifications (including the substitution and addition of other property) as may be desired by the District and as will not impair the utility of the Facilities. The District and the Trustee will cause the Net Proceeds of any insurance claim to be applied to the prompt repair, restoration, modification or improvement of the Facilities. Any balance of the Net Proceeds remaining after such work has been completed shall be deposited into the Certificate Fund. If said Net Proceeds are not sufficient to pay in full the costs of such replacement, repair, rebuilding or restoration, the District shall nonetheless complete the work thereof and shall, subject to appropriating funds for such purpose, pay that portion of the costs thereof in excess of the amount of said Net Proceeds.

If the District shall determine that rebuilding, repairing, restoring or replacing the Facilities is not practicable and desirable, then, in lieu of rebuilding, repairing, restoring or replacing the Facilities, the District shall promptly purchase the Facilities by paying the Option Purchase Price to the Trustee and any Net Proceeds of casualty insurance received with respect to any such damage or loss to the Facilities shall be applied to such payment.

* Preliminary; subject to change.

The District shall not, by reason of its inability to use all or any part of the Facilities during any period in which the Facilities are damaged or destroyed, or are being repaired, rebuilt, restored or replaced, or by reason of the payment of the costs of such rebuilding, repairing, restoring or replacing, be entitled to any reimbursement from the Trustee or the Registered Owners of the Certificates, or any abatement or diminution of the rentals payable by the District under the Lease.

There can be no assurance either as to the adequacy of or timely payment under property damage insurance in effect at that time or that the District will elect to extend the term of the Lease for the next Renewal Term succeeding such damage or destruction. See “**SUMMARY OF CERTAIN PROVISIONS OF THE LEASE – Damage and Destruction**” in *Appendix C*.

Construction Risks

Weather, labor disputes, availability of materials and supplies, casualty damages, unanticipated subsoil conditions, unanticipated construction difficulties and other “force majeure” occurrences or events or financial failure or failure to perform by a contractor, subcontractor or supplier may affect the timely construction of the Project. No assurance can be given that the acquisition, construction and installation of the Project will be completed on schedule, within budget or without material errors and defects. Any such failure could affect the District’s decision to continue appropriations under the Lease.

Bankruptcy

In addition to the limitations on remedies contained in the Indenture and the Lease, the rights and remedies provided in the Indenture and the Lease may be limited by and are subject to (1) bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws affecting creditors’ rights, (2) the application of equitable principles, and (3) the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against political subdivisions in the State of Missouri. 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 Series 2026 Certificates.

Amendment of the Indenture, Lease and Base Lease

Certain amendments to the Indenture, the Lease and the Base Lease may be made with consent of the owners of not less than a majority in principal amount of the Certificates then outstanding affected by such supplemental indentures or supplemental leases. Such amendments may adversely affect the security of the owners of the Certificates. Additional Certificates may be hereafter issued without the consent of the owners of the Certificates.

No Reserve Fund or Credit Enhancement

No Reserve Fund will be established for the Series 2026 Certificates and the District will not obtain any financial guaranty insurance policy, letter of credit or other credit enhancement to ensure payment of the Principal Component and Interest Component of Rental Payments represented by the Series 2026 Certificates. Accordingly, any potential purchaser of the Series 2026 Certificates should consider the financial ability of the District to pay the Principal Component and Interest Component of Rental Payments under the Lease represented by the Series 2026 Certificates.

Dilution of Security for the Series 2026 Certificates

The Indenture permits the issuance of Additional Certificates payable from the trust estate on a parity with the pledge of the trust estate to the payment of the outstanding Series 2026 Certificates. See “**ADDITIONAL CERTIFICATES**” herein. The issuance of Additional Certificates payable from the trust

estate on a parity with the pledge of the trust estate to the payment of the Series 2026 Certificates may dilute the security for the Series 2026 Certificates by increasing debt service obligations under the Indenture without an accompanying increase in the value of the Facilities that provides security for the Series 2026 Certificates.

Factors Affecting the Business Operations of the District

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

1. ***Changes in Administration.*** Changes in key administrative personnel could affect the capability of management of the District.
2. ***Future Economic Conditions.*** Increased unemployment or other adverse economic conditions or changes in demographics in the service area of the District affecting the District's abilities to collect tax revenues or an inability to control expenses in periods of inflation may have an adverse effect on the financial condition or operations of the District.
3. ***Enrollment.*** No assurance can be given that enrollment will remain at historical levels. A significant decrease in the District's enrollment could adversely affect the District's financial position and operations and the continuing need for certain District facilities.
4. ***State Aid.*** A significant portion of the District's revenues is provided from the State of Missouri (referred to herein as "**State Aid**"). During the fiscal year ended June 30, 2025, approximately 23% of the District's total revenue was derived from State Aid. There is no assurance that State Aid will remain stable or continue to increase. Future changes in State Aid or reductions in State Aid could adversely affect the District's financial position and operations. See the captions "**FINANCIAL INFORMATION CONCERNING THE DISTRICT – Sources of Revenue,**" and "**– State Revenue**" in *Appendix A* to this Official Statement.
5. ***Organized Labor Efforts.*** Efforts to organize employees of the District into collective bargaining units could result in adverse labor actions or increased labor costs.
6. ***Environmental Matters.*** Legislative, regulatory, administrative or enforcement action involving environmental controls could adversely affect the operation of the facilities of the District.
7. ***Terrorist Attacks or Natural Disasters.*** The occurrence of a terrorist attack in the District, or natural disasters, such as floods, tornadoes or droughts, could damage the facilities of the District, interrupt services or otherwise impair operations and the ability of the District to produce revenues.

Legislative Risks

The District faces risks to its financial condition and operations from the Missouri General Assembly on several matters, including but not limited to school funding. See "**FINANCIAL INFORMATION CONCERNING THE DISTRICT – State Revenue**" in *Appendix A* hereto. The legislative risks are not specific to the District but affect all school districts within the State.

Pensions

The District contributes to two cost-sharing multiple-employer defined benefit pension plans on behalf of its employees: (1) The Public School Retirement System of Missouri and (2) The Public Education Employee

Retirement System of Missouri. See “**FINANCIAL INFORMATION CONCERNING THE DISTRICT – Pension and Employee Retirement Plans**” in *Appendix A* of 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.

Effects of Termination of the Lease on the Series 2026 Certificates

Special Counsel has rendered no opinion with respect to the applicability or inapplicability of the registration requirements of the Securities Act of 1933, as amended, to any Certificate subsequent to termination of the Lease by reason of an Event of Nonappropriation or an Event of Default. If the Initial Term or any Renewal Term is terminated by reason of such events, there is no assurance that the Series 2026 Certificates may be transferred by an Owner thereof without compliance with the registration provisions of the Securities Act of 1933, as amended, or the availability of an exemption therefrom.

Delays in Exercising Remedies

A termination of the District’s right of possession of the Facilities under the Lease as a result of an Event of Default or an Event of Nonappropriation or expiration of the term of the Lease at the end of the Initial Term or any Renewal Term without an extension for the next succeeding Renewal Term will give the Trustee the right to possession of, and the right to relet or assign its interest in the Facilities in accordance with the provisions of the Base Lease and the Indenture. However, the enforceability of the Base Lease and the Indenture is subject to applicable bankruptcy laws, equitable principles affecting the enforcement of creditors’ rights generally and liens securing such rights, the exercise of judicial authority by State of Missouri or federal courts and the exercise by the United States of America of the powers delegated to it by the U.S. Constitution.

Further, the Facilities are used by the District for the performance of its governmental functions. Due to the governmental use of the Facilities and the delays inherent in obtaining possession of the Facilities and other judicial remedies, no assurance can be given that (1) a court, in the exercise of judicial discretion, would enforce these remedies in a timely manner, or (2) any money realized by the Trustee upon an exercise of any remedies would be sufficient to pay in full the Principal Components and Interest Components of Rental Payments with respect to the Certificates. The legal opinions to be delivered with the delivery of the Series 2026 Certificates will be qualified as they relate to the enforceability of the various legal instruments by reference to the limitations on enforceability of those instruments under (1) applicable bankruptcy, insolvency, reorganization or similar laws affecting the enforcement of creditors’ rights, (2) general principles of equity, and (3) the exercise of judicial discretion in appropriate cases. If such money is insufficient to pay all outstanding Certificates in full, the Certificates would be paid in part on a *pro rata* basis. Any delays in the ability of the Trustee to obtain possession of the Facilities will, of necessity, result in delays in any payment of Principal Components and Interest Components of Rental Payments with respect to the Certificates.

[Loss of Premium from Prepayment

Any person who purchases a Certificate at a price in excess of its principal amount or who holds such Certificate trading at a price in excess of par should consider the fact that the Series 2026 Certificates are subject to prepayment prior to maturity at the prepayment prices described herein in the event such Series 2026 Certificates are prepaid prior to maturity. See the section herein captioned “**THE SERIES 2026 CERTIFICATES – Prepayment Provisions.**”]

Taxability

Special Counsel’s opinions as to the exclusion of the Interest Component of the Rental Payments with respect to the Series 2026 Certificates from gross income for federal income tax purposes and other matters are not a guarantee of result and are not binding on the Internal Revenue Service (the “**IRS**”); rather, such opinions

represent Special Counsel's legal judgment based upon its review of existing law. Also, events occurring subsequent to execution and delivery of the Series 2026 Certificates may require that the Interest Component of the Rental Payments represented by the Series 2026 Certificates be included in gross income for purposes of federal income taxation and not be exempt from income taxes imposed by the State of Missouri. See **"TAX MATTERS"** herein.

The Series 2026 Certificates are not subject to prepayment, nor is the payment of any additional interest or penalties on the Series 2026 Certificates required, in the event of a determination by the IRS or a court of competent jurisdiction that the Interest Component of the Rental Payments paid or to be paid with respect to any Series 2026 Certificate is or will be included in the gross income of the owner of a Series 2026 Certificate for federal income tax purposes. Such determination may, however, result in a breach of the District's tax covenants set forth in the Lease or the Tax Compliance Agreement. Likewise, the Indenture does not require the prepayment of the Series 2026 Certificates or the payment of any additional interest or penalty on the Series 2026 Certificates if the Interest Component of the Rental Payments with respect to the Series 2026 Certificates loses its exemption from income taxes imposed by the State of Missouri. In such circumstances, it may be that owners would continue to hold their Series 2026 Certificates, receiving Principal Components and Interest Components as and when due, but would be required to pay federal and state income tax on each payment of Interest Component as received or accrued.

Special Counsel expresses no opinion as to the federal or State of Missouri tax exemption of Interest Components on the Series 2026 Certificates in the event of payment thereof if (a) the District fails to budget and appropriate sufficient moneys to pay the Rental Payments under the Lease or (b) the Lease terminates for any reason.

Risk of Audit

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 Series 2026 Certificates are advised that, if an audit of the Series 2026 Certificates 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 Series 2026 Certificates may not have a right to participate in such audit. Public awareness of any audit could adversely affect the market value and liquidity of the Series 2026 Certificates during the pendency of the audit, regardless of the ultimate outcome of the audit.

Power of Eminent Domain

Section 177.041 of the Revised Statutes of Missouri, as amended, grants Missouri school districts the power to condemn property for any purpose for which such districts are authorized to acquire property. There is no assurance that if the District were to condemn the Trustee's interest under the Base Lease that the condemnation award would be sufficient to pay the outstanding principal and Interest Components with respect to the Series 2026 Certificates. The District has agreed in the Base Lease that, in the event that the whole or any part of the Facilities is taken by eminent domain proceedings, the interest of the Trustee will be recognized. Under the Lease, the District and the Trustee have reached an agreement on the terms of the acquisition of the Facilities at the District's option, and to the use of the Facilities. The District has agreed that any acquisition of the Facilities or rights to their use by the District (whether pursuant to the exercise of eminent domain powers or otherwise) shall be pursuant to and in accordance with the Lease, including payment of Rental Payments and the applicable Option Purchase Price (as defined and set forth in the Lease). If the District allows the Lease to expire without exercising its option to purchase, whether by failure to exercise its option to extend the Lease for a Renewal Term, failure to exercise its option to purchase at the conclusion of the Maximum Lease Term or failure to cure an Event of Default (as such terms are defined in the Lease), the District's failure to exercise the option to purchase shall constitute an irrevocable determination by the District that the Facilities are not required by the District for any public purpose for the term of the Base Lease. The enforceability of the foregoing agreements of the District has not been the subject of judicial interpretation.

Investment Ratings and Secondary Market

The lowering or withdrawal of the investment rating initially assigned to the Series 2026 Certificates could adversely affect the market price for and the marketability of the Series 2026 Certificates. There is no assurance that a secondary market will develop for the purchase and sale of the Series 2026 Certificates. Prices of municipal securities in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and changes in operating performance of the entities operating the facilities subject to the municipal securities. From time to time, the secondary market trading in selected issues of municipal securities, as a result of the financial condition or market position of the underwriter, prevailing market conditions, or a material adverse change in the operations of that entity, whether or not the subject securities are in default as to principal and interest payments and other factors, may give rise to uncertainty concerning prudent secondary market practices. Municipal securities are generally viewed as long-term investments, subject to material unforeseen changes in the investor's circumstances, and may require commitment of the investor's funds for an indefinite period of time, perhaps until maturity.

Defeasance Risks

When all Certificates are deemed paid as provided in the Indenture (in *Appendix C*, see “**SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Satisfaction and Discharge of the Indenture**” and “**– Certificates Deemed to be Paid**”), the Indenture will be released and terminated and the Facilities encumbered by the Base Lease and the Lease as security for the Certificates will be released. Any Certificate shall be deemed to be paid when (a) payment of the Principal Component of Rental Payments evidenced by such Certificate (or, in the case of a Capital Appreciation Certificate, the Compound Amount thereof) and premium, if any, thereon and the Interest Component of Rental Payments payable with respect thereto whether such payment is by reason of the stated payment date or upon prepayment as provided in the Indenture (i) has been made in accordance with the terms of such Certificate (determined assuming the District has appropriated funds to pay all Rental Payments through the final Renewal Term of the Lease or through the prepayment date), or (ii) has been provided by irrevocably depositing, in trust and irrevocably set aside exclusively for such payment, (1) cash sufficient to make such payment and/or (2) Defeasance Obligations (as defined in the Indenture), maturing as to principal and interest in such amounts and at such time as will ensure the availability of sufficient moneys to make such payment, and (b) all necessary and proper fees, compensation and expenses of the Trustee pertaining to such Certificate have been paid or the payment thereof provided for to the satisfaction of the Trustee. In the case of Capital Appreciation Certificates, the Interest Component of Rental Payments evidenced thereby accretes from the date of delivery and is payable only at maturity or upon prepayment as part of the Compound Amount, and the amount required to be deposited in order for such Certificates to be deemed paid will be determined on the basis of the Compound Amount thereof as of the stated payment date or prepayment date, as applicable, and not on the basis of the original principal amount thereof. Defeasance Obligations include, in addition to cash and obligations pre-refunded with cash, bonds, notes, certificates of indebtedness, treasury bills and other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America. Historically, such United States obligations have been rated in one of the two highest rating categories by the rating agencies. There is no legal requirement in the Indenture, the Base Lease or the Lease that Defeasance Obligations consisting of such United States obligations be or remain rated in one of the two highest rating categories 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 Certificates 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.

Senior Property Tax Credit Program

The Missouri General Assembly enacted legislation in 2023 (subsequently amended in 2024) that authorizes counties to grant property tax credits to each "eligible taxpayer" equal to the difference between the real property tax liability on the eligible taxpayer's homestead in the current year minus the real property tax liability on the homestead either (1) in the year the county initially authorizes the credit or (2) when the person becomes an "eligible taxpayer" (the "**Senior Property Tax Credit Program**"). "Eligible taxpayer" means a Missouri resident who (1) is at least 62 years old, (2) owns real property used as the taxpayer's primary residence and (3) is liable for the payment of property taxes on that property. Implementation of the Senior Property Tax Credit Program requires either adoption of an ordinance by a county or an initiative petition and voter approval process. Property tax bills within counties that participate in the Senior Property Tax Credit Program will reflect the tax credit on property tax bills for eligible taxpayers, thereby reducing the amount of property taxes that the eligible taxpayer would otherwise pay.

In April 2026, voters in Perry County approved the Senior Property Tax Credit Program. Perry County officials are currently working on implementation of the program.

Homestead Property Tax Credit Program

In June 2025, the Missouri General Assembly passed Senate Bill 3 (as codified in Section 137.1055 RSMo., the "**Homestead Property Tax Credit Program**"), which authorizes counties to grant property tax credits in the form of a cap on increases to residential real property tax bills. For certain counties, including Perry County and Bollinger County, the real property tax liability on an eligible taxpayer's home may be increased by no more than five percent per year or the percent increase in the Consumer Price Index, whichever is greater. For other counties, the real property tax liability on an eligible taxpayer's home may not be increased above the liability incurred during the initial credit year. The City of St. Louis and 17 counties are exempt from the bill. The initial credit year is 2024 or, if the eligible taxpayer's real property tax liability is lower in a subsequent year, the initial credit year is that subsequent calendar year. All non-exempt counties were required to place a question of whether to enact this real property tax cap on the ballot by no later than the April 2026 general election.

In Perry County, a majority of the votes cast on the question were in favor of the cap and the credit shall be in effect and Perry County shall grant the property tax credit to eligible taxpayers. The Perry County Collector will note the amount of any credit on the real property tax bills sent to eligible taxpayers. The question of whether to enact this real property tax cap was not placed on the ballot in Bollinger County.

For all counties, an eligible taxpayer's real property tax liability shall be increased to reflect any increase in tax liability derived from any new property tax levy or an increase in an existing property tax levy approved by the voters subsequent to an eligible taxpayer's initial credit year; provided that, for five percent counties, such increase shall not be considered for the purposes of calculating the allowable increase in an eligible taxpayer's real property tax liability.

When the District's property tax revenues are capped as a result of the Homestead Property Tax Credit Program, there may be less property tax revenues available to pay Rental Payments under the Lease. The obligation of the District to pay Rental Payments is limited to those funds that are specifically budgeted and appropriated annually by the District for such purpose, and that may or may not include property tax revenue. Property tax revenues are not pledged to the repayment of the Series 2026 Certificates. See **"SECURITY FOR THE SERIES 2026 CERTIFICATES"** in this Official Statement. The potential financial impact of the Homestead Property Tax Credit Program on the District is not yet ascertainable.

No taxpayer is authorized to claim a property tax credit under the Senior Property Tax Credit Program and the Homestead Property Tax Credit Program for the same homestead.

THE BOOK-ENTRY ONLY SYSTEM

Ownership interests in the Series 2026 Certificates will be available to purchasers only through a book-entry only system (the **"Book-Entry Only System"**) described in *Appendix F*.

If the Book-Entry Only System is discontinued the following provisions would apply: Each Certificate when issued will be registered by the Trustee in the name of the owner thereof on the Certificate Register. Certificates are transferable only upon the Certificate Register upon presentation and surrender of the Certificate, together with instructions for transfer. Certificates may be exchanged for Certificates in the same aggregate principal amount (or, in the case of Capital Appreciation Certificates, Maturity Amount), series and maturity upon presentation to the Trustee, subject to the terms, conditions and limitations set forth in the Indenture and upon payment of any tax or other governmental charge required to be paid with respect to any such registration, transfer or exchange.

APPROVAL OF LEGALITY

Legal matters incident to the authorization, delivery and sale of the Series 2026 Certificates are subject to the approving legal opinion of Gilmore & Bell, P.C., Kansas City, Missouri, Special Counsel. Certain matters relating to this Official Statement will also be passed upon by Special Counsel. Factual and financial information appearing herein has been supplied and reviewed by various officials of the District.

The legal opinions to be delivered concurrently with the delivery of the Series 2026 Certificates 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 Series 2026 Certificates. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Series 2026 Certificates as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers) and, except for the income tax laws of the State of Missouri, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Series 2026 Certificates in the secondary market.

Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Series 2026 Certificates.

Opinions of Special Counsel

In the opinion of Gilmore & Bell, P.C., Special Counsel, under the law existing as of the issue date of the Series 2026 Certificates:

Federal and State of Missouri Tax Exemption. The Interest Component of the Rental Payments paid by the District under the Lease and distributed to the owners of the Series 2026 Certificates (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 Component of the Rental Payments paid by the District under the Lease and distributed to the owners of the Series 2026 Certificates is not an item of tax preference for purposes of computing the federal alternative minimum tax.

Bank Qualification. The District's obligation to pay Rental Payments under the Lease has not been designated as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

Special Counsel's opinions are provided as of the date of the original issue of the Series 2026 Certificates, subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2026 Certificates in order that the Interest Component 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 the Interest Component in gross income for federal and State of Missouri income tax purposes retroactive to the date of issuance of the Series 2026 Certificates. Special Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Series 2026 Certificates but has reviewed the discussion under this section "TAX MATTERS."

Other Federal Income Tax Consequences

[Original Issue Discount. For federal income tax purposes, original issue discount is the excess of the stated prepayment price at maturity of a Series 2026 Certificate over its issue price. The stated prepayment price at maturity of a Series 2026 Certificate is the sum of all payments on the Series 2026 Certificate other than "qualified stated interest" (*i.e.*, interest unconditionally payable at least annually at a single fixed rate). The issue price of a Series 2026 Certificate is generally the first price at which a substantial amount of the Series 2026 Certificates of that maturity have been sold to the public. Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis. The amount of original issue discount that accrues to an owner of a Series 2026 Certificate during any accrual period generally equals (1) the issue price of that Series 2026 Certificate, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Series 2026 Certificate (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that Series 2026 Certificate during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner's tax basis in that Series 2026 Certificate. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount, if any.]

[Original Issue Premium. For federal income tax purposes, premium is the excess of the issue price of a Series 2026 Certificate over its stated prepayment price at maturity. The stated prepayment price at maturity of a Series 2026 Certificate is the sum of all payments on the Series 2026 Certificate other than "qualified stated

interest” (*i.e.*, interest unconditionally payable at least annually at a single fixed rate). The issue price of a Series 2026 Certificate is generally the first price at which a substantial amount of the Series 2026 Certificates of that maturity have been sold to the public. Under Section 171 of the Code, premium on tax-exempt bonds amortizes over the term of the Series 2026 Certificate using constant yield principles, based on the purchaser’s yield to maturity. As premium is amortized, the owner’s basis in the Series 2026 Certificate and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Series 2026 Certificate 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 premium, if any.]

Sale, Exchange or Retirement of Series 2026 Certificates. Upon the sale, exchange or retirement (including redemption) of a Series 2026 Certificate, an owner of the Series 2026 Certificate 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 Series 2026 Certificate (other than in respect of accrued and unpaid Interest Component) and such owner’s adjusted tax basis in the Series 2026 Certificate. To the extent a Series 2026 Certificate is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Series 2026 Certificate 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 Component, Interest Component and prepayment premium paid on the Series 2026 Certificates, and to the proceeds paid on the sale of the Series 2026 Certificates, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner’s federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Series 2026 Certificates should be aware that ownership of the Series 2026 Certificates may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with “excess net passive income,” foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Series 2026 Certificates. Special Counsel expresses no opinion regarding these tax consequences. Purchasers of Series 2026 Certificates should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Series 2026 Certificates, including the possible application of state, local, foreign and other tax laws.

Special Counsel notes that the Interest Component of the Rental Payments paid by the District under the Lease and distributed to the owners of the Series 2026 Certificates 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.

Tax Consequences Subsequent to an Event of Default or Event of Nonappropriation

Special Counsel has rendered no opinion with respect to the income tax consequences applicable to the Series 2026 Certificates subsequent to a termination of the Lease Term by reason of an Event of Nonappropriation or an Event of Default. If the Lease Term is terminated by reason of either such event, there is no assurance that the Interest Component of the Rental Payments received with respect to the Series 2026 Certificates will remain excludable from gross income for federal income tax purposes.

ABSENCE OF LITIGATION

There is not now pending or, to the knowledge of the District, threatened, any litigation seeking to restrain or enjoin or in any way limit the approval or the delivery of this Official Statement or the Series 2026 Certificates or the proceedings or authority under which they are to be delivered. There is no litigation pending or, to the knowledge of the District, threatened which in any manner challenges or threatens the powers of the District to enter into or carry out the transactions contemplated by the Indenture, the Lease and the Base Lease.

RATING

S&P Global Ratings, a division of Standard & Poor's Financial Services LLC, wholly owned by S&P Global, Inc. ("**S&P**"), has assigned the Series 2026 Certificates the rating as set forth on the cover page to this Official Statement. At present, S&P maintains four categories of investment grade ratings—AAA, AA, A and BBB. Under S&P criteria, 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. Such rating reflects only the view of S&P at the time such rating is given and an explanation of the significance of such rating may be obtained from S&P Global Ratings, Public Finance Department, 55 Water Street, New York, NY 10041-0003.

The District has furnished the rating agency with certain information and materials relating to the Series 2026 Certificates and the District that have not been included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions made by the rating agencies. There is no assurance that a particular rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the rating agency originally establishing such rating, circumstances so warrant. The Underwriter (hereinafter defined) has not undertaken any responsibility to bring to the attention of the holders of the Series 2026 Certificates any proposed revision or withdrawal of the rating of the Series 2026 Certificates or to oppose any such proposed revision or withdrawal. Pursuant to the Continuing Disclosure Undertaking, the District is required to bring to the attention of the holders of the Series 2026 Certificates any revision or withdrawal of the rating of the Series 2026 Certificates but has not undertaken any responsibility to oppose any such revision or withdrawal. See the section herein captioned "**INTRODUCTION – Continuing Disclosure Information**" and *Appendix D* hereto. Any such revision or withdrawal of the rating could have an adverse effect on the market price and marketability of the Series 2026 Certificates.

UNDERWRITING

Raymond James & Associates, Inc., Leawood, Kansas (the "**Underwriter**"), has agreed to purchase the Series 2026 Certificates at a price of \$_____ (equal to the aggregate original principal amount of the Series 2026 Certificates, less an underwriting discount of \$_____) pursuant to a Purchase Contract entered into among the District, the Trustee, and the Underwriter. The obligation of the Underwriter to accept delivery of the Series 2026 Certificates is subject to various conditions of the Purchase Contract, but the Underwriter is obligated to accept delivery and pay for all of the Series 2026 Certificates if any are delivered.

The Series 2026 Certificates are being purchased by the Underwriter from the District in the normal course of the Underwriter's business activities. The Underwriter intends to offer the Series 2026 Certificates to the public at a price not in excess of the offering price set forth on the inside cover page of this Official Statement. The Underwriter may allow concessions from the public offering price to certain dealers, banks and others. The public offering price may be varied from time to time by the Underwriter.

CERTAIN RELATIONSHIPS

Gilmore & Bell, P.C., Special Tax Counsel to the District, has represented the Trustee in transactions unrelated to the delivery of the Series 2026 Certificates, but is not representing the Trustee in connection with the delivery of the Series 2026 Certificates.

MISCELLANEOUS

Certification and Other Matters Regarding Official Statement

References herein to the Indenture, the Lease, the Base Lease and certain other matters are brief discussions of certain provisions thereof. Such discussions do not purport to be complete, and reference is made to such documents for full and complete statements of such provisions.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. 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 information presented herein since the date hereof. This Official Statement is not to be construed as a contract or agreement between the District and the Underwriter and the purchasers or owners of the Series 2026 Certificates.

Simultaneously with the delivery of the Series 2026 Certificates, 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 Series 2026 Certificates 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 have been approved by the District.

Additional Information

Additional information regarding the District or the Series 2026 Certificates may be obtained from the District, Attention: Superintendent, Perry County School District No. 32, 326 College Street, Perryville, Missouri 63775; (573) 547-7500, or from the Underwriter, Raymond James & Associates, Inc., 11551 Ash Street, Suite 250, Leawood, Kansas 66211, Attention: Mike Reik, (913) 374-3348.

PERRY COUNTY SCHOOL DISTRICT NO. 32

By _____
President of the Board of Education

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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
Administration	1
Professional Staff, Teachers and Employees	2
Educational Facilities	2
History of Enrollment	2
Other District Statistics	2
District Accreditation	3
National School Lunch Program	3
ECONOMIC INFORMATION CONCERNING THE DISTRICT	3
Population	3
Commerce, Industry and Employment	4
Medical and Health Facilities	5
Higher Education	5
Recreational and Cultural Facilities	5
Transportation and Media	6
Income and Home Values	6
DEBT STRUCTURE OF THE DISTRICT	8
Overview	8
Current Long-Term General Obligation Indebtedness	9
History of General Obligation Indebtedness	9
Legal Debt Capacity	9
Outstanding Certificates of Participation	9
Future Borrowing Plans	11
Overlapping or Underlying General Obligation Indebtedness	11
FINANCIAL INFORMATION CONCERNING THE DISTRICT	11
Accounting, Budgeting and Auditing Procedures	11
Sources of Revenue	12
Local Revenue	13
County Revenue	13
State Revenue	14
Federal Revenue	16
Certain Permitted Fund Transfers	17
Fund Balances Summary	18
Risk Management	19
Pension and Employee Retirement Plans	19
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	23
History of Tax Levies	25
Tax Collection Record	25
Major Property Taxpayers	26

THE DISTRICT

General Description

The District encompasses approximately 413 square miles and is located in the southeastern portion of Missouri in Perry County (highlighted in the map to the right). A small portion of the District also lies in Bollinger County. The District's schools are primarily located in Perryville, Missouri (the "City"), which is approximately 80 miles south of St. Louis, Missouri. The District also includes certain surrounding unincorporated areas.



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>Original Term Began</u>	<u>Current Term Expires</u>
Dominic Blythe	President and Member	April 2022	April 2028
Nancy Voelker	Vice President and Member	June 2006	April 2027
Kevin Bachmann	Member	April 2003	April 2027
Mark Gremaud	Member	April 2012	April 2029
Dan Querry	Member	April 2026	April 2029
Caleb Streiler	Member	April 2026	April 2029
Terry Wichern	Member	October 2025	April 2027

The Board has appointed Amy Buntin to serve as Secretary.

Administration

The Board appoints the Superintendent of Schools who is the chief administrative officer of the District responsible for carrying out the policies set by the Board.

Dr. Fara Jones began her role as Superintendent of the District in July 2023 and served as the District's Deputy Superintendent for the 2022-2023 school year. Dr. Jones previously served as the Assistant Superintendent of Personnel for Poplar Bluff R-I School District for three years, and spent 23 years at Scott County R-VI School District, teaching secondary art for four years, serving as elementary school principal for 13 years and as Superintendent for 6 years. Dr. Jones received her master's and specialist's degrees along with her doctorate in Educational Leadership 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 322 employees, including 20 administrative personnel, 184 teachers and 118 non-certificated employees. On average, teachers employed by the District have 13.8 years of teaching experience, compared to a statewide average of 13.2 years, and 63.5% of the District's teachers hold advanced degrees compared to a statewide average of 60.8%. For the 2024-2025 school year, the average salary for all teaching staff was \$51,547, compared to a statewide average salary for teaching staff of \$59,777.

Educational Facilities

The District currently operates five schools, as described below. The replacement cost of the physical facilities of the District as most recently determined for insurance purposes is approximately \$135,460,283.

<u>Name of School</u>	<u>Grades Served</u>
Perryville Primary School	PK-2
Perryville Elementary School	3-5
Perry County Middle School	6-8
Perryville High School	9-12
Perryville Area Career and Technology Center	9-12

History of Enrollment

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

<u>Year</u>	<u>Enrollment</u>
2025-2026	2,004
2024-2025	2,103
2023-2024	2,079
2022-2023	2,152
2021-2022	2,195

Source: The District.

Other District Statistics

The following table shows additional information about the District compiled by DESE for the following years for which data is available.

	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
Avg. Daily Attendance (ADA)	1,816	1,927	1,901	1,851	1,841
Current Expenditures per Pupil	\$9,809	\$10,352	\$11,090	\$11,768	\$11,644
Students per Teacher	12	12	12	12	12
Students per Classroom Teacher	19	18	18	17	17

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 who qualify based on household income. The following table shows information about the District’s students’ participation in the program.

<u>School</u>	<u>January 2026 Full-Time Enrollment FRL Count</u>	<u>January 2026 Full-Time Enrollment</u>	<u>January 2026 Percentage of FRL Participation</u>
Perryville High School	221.90	595.42	37.30%
Perry County Middle School	198.00	415.90	47.60
Perryville Elementary School	221.30	420.38	52.60
Perryville Primary School	199.40	372.04	53.60

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.

Population

The following table shows population figures for the District, the City of Perryville, Perry County and the State of Missouri from the last three decennial censuses and the latest available estimate.

	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>2024</u>
District	16,956	17,763	17,776	17,616
City of Perryville	7,700	8,225	8,555	8,536
Perry County	18,132	18,971	18,956	18,976
State of Missouri	5,595,211	5,988,927	6,154,913	6,191,814

Source: U.S. Census Bureau; Missouri Census Data Center - American Community Survey 5-Year Estimates (2020-2024).

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

Estimated Population Distribution by Age

<u>Age</u>	<u>District</u>	<u>City of Perryville</u>	<u>Perry County</u>	<u>State of Missouri</u>
Under 5 years	946	499	1,002	356,811
5-19 years	3,427	1,750	3,687	1,186,390
20-24 years	1,032	579	1,075	405,498
25-44 years	4,124	2,164	4,408	1,609,113
45-64 years	4,712	2,174	5,073	1,526,259
65 years and over	<u>3,375</u>	<u>1,370</u>	<u>3,731</u>	<u>1,107,743</u>
Total	<u>17,616</u>	<u>8,536</u>	<u>18,976</u>	<u>6,191,814</u>
Median age	42.0	38.6	42.2	39.0

Source: U.S. Census Bureau; Missouri Census Data Center - American Community Survey 5-Year Estimates (2020-2024).

Commerce, Industry and Employment

Major Employers. Listed below are the major employers located in Perry County and the approximate number of employees employed by each.

<u>Employer</u>	<u>Type of Business</u>	<u>Approximate No. of Employees</u>
TG Missouri Corporation	Auto Parts	1,625
Gilster-Mary Lee	Food Processing	1,300
Robinson Construction Company	Construction	450
Mercy Hospital Perry	Healthcare	400
Perry County 32 School District	Education	322
Wal-Mart	Retail	199
West Star Aviation	Aviation Repair	152
Buchheit, Inc.	Retail	148
East Perry Lumber Company	Lumber Sales	85

Source: Perry County Economic Development Authority; District.

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

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026*</u>
<i>Perry County</i>					
Total Labor Force	9,338	9,590	9,740	9,886	9,894
Unemployed	206	248	302	317	302
Unemployment Rate	2.2%	2.6%	3.1%	3.2%	3.0%
<i>State of Missouri</i>					
Total Labor Force	3,051,998	3,106,625	3,143,051	3,167,288	3,168,205
Unemployed	80,557	96,698	116,149	126,529	123,825
Unemployment Rate	2.6%	3.1%	3.7%	4.0%	3.9%
<i>United States</i>					
Total Labor Force	164,287,000	167,116,000	168,106,000	170,807,000	169,911,000
Unemployed	5,996,000	6,080,000	6,761,000	7,314,000	7,413,000
Unemployment Rate	3.6%	3.6%	4.0%	4.3%	4.3%

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

* Through June 2026.

Medical and Health Facilities

District residents have access to medical and health facilities in the City and throughout Perry County. Mercy Hospital Perry, located in the City, is a 25-bed facility offering 24-hour emergency and acute care, with ambulance service available throughout Perry County. Ste. Genevieve County Memorial Hospital, approximately 20 miles north of the District, is a critical access acute care hospital providing surgical services and 24-hour adult and pediatric emergency services. In Cape Girardeau, approximately 35 miles south of the District, Mercy Hospital Southeast is a 251-bed acute care facility providing 24-hour emergency room care and a full range of diagnostic, preventive and restorative services, and Saint Francis Medical Center is a 306-bed tertiary hospital featuring an Emergency and Level III Trauma Center, a Level III neonatal intensive care unit, a heart hospital, and cancer, neurosciences and orthopedics institutes.

Higher Education

Post-secondary educational opportunities are available to residents of the District both within Perry County and throughout the surrounding region. Mineral Area College, a public community college headquartered in Park Hills, offers two-year degree programs in Perryville through the Perryville Higher Education Center, and Ranken Technical College operates its Ranken–Southeast campus in Perryville, providing technical training in fields including welding, diesel technology, industrial engineering technology and information technology.

The Perryville Area Career and Technology Center, operated by the District, offers career and technical training in industrial technology, agriculture, digital media, health occupations and welding. Southeast Missouri State University, a public university located in Cape Girardeau approximately 35 miles south of the District, has an enrollment of approximately 8,800 students and offers more than 175 undergraduate and 75 graduate degree programs. Numerous additional colleges and universities are located within driving distance in the St. Louis metropolitan area.

Recreational and Cultural Facilities

City Park, the largest of the City's parks, encompasses approximately 100 acres and includes Veterans Memorial Field, ballfields, tennis courts, batting cages and picnic pavilions, and is home to the Perry Park Center,

a facility of more than 105,000 square feet featuring an enclosed aquatics center, gymnasium, racquetball courts, weight and cardiovascular fitness areas, meeting rooms, an elevated indoor walking track, and the Perryville branch of the Riverside Regional Library.

Perry County Community Lake, located approximately two miles west of the City, is a 103-acre lake developed by the Missouri Department of Conservation offering boat ramps, fishing access and picnic areas. Red Rock Landing Conservation Area, approximately ten miles east of the City, consists of 554 acres along the Mississippi River with camping, hiking trails and river frontage.

The City is also home to significant historic and cultural sites. The National Shrine of Our Lady of the Miraculous Medal, also known as Saint Mary's of the Barrens, is a historic church, grotto and Rosary Walk founded in 1818, the site of the first institution of higher education west of the Mississippi River, and the shrine welcomes thousands of visitors annually. Missouri's National Veterans Memorial, also located in Perryville, includes a full-scale replica of the Vietnam Veterans Memorial in Washington, D.C., together with a military museum and welcome center.

Transportation and Media

Major highway routes serving the District include Interstate 55, U.S. Route 61 and Missouri Route 51, the latter of which crosses the Mississippi River. The Perryville Regional Airport, a City-owned general aviation facility, has a 6,483-foot concrete runway with runway lighting that accommodates various aircraft, including jets. Commercial air service is available at Cape Girardeau Regional Airport, and full commercial jet service to destinations throughout the United States is available at St. Louis Lambert International Airport.

Barge transportation on the Mississippi River is available at regional river ports, including the Southeast Missouri Regional Port near Scott City, a multimodal facility with a slackwater harbor served by its own switching railroad connecting to the Union Pacific and BNSF rail systems.

The *Republic-Monitor*, published weekly in the City, has served Perry County since 1889, and the *Southeast Missourian*, published in Cape Girardeau, also circulates in the region.

Income and Home Values

The following table presents per capita personal income* for Perry County and the State of Missouri for the years 2022 through 2024, the latest date for which such information is available:

	Perry County	State of Missouri
	Per Capita	Per Capita
<u>Year</u>	<u>Personal Income</u>	<u>Personal Income</u>
2024	\$55,392	\$64,920
2023	53,317	62,435
2022	49,658	58,525

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

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

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

	<u>Median Household Income</u>
District	\$62,743
City of Perryville	51,897
Perry County	62,981
State of Missouri	70,702

Source: U.S. Census Bureau; Missouri Census Data Center - American Community Survey 5-Year Estimates (2020-2024).

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

	<u>Number of Owner- Occupied Units</u>	<u>Median Home Value</u>
District	5,279	\$189,000
City of Perryville	2,078	179,700
Perry County	5,758	188,200
State of Missouri	1,708,413	230,300

Source: U.S. Census Bureau; Missouri Census Data Center - American Community Survey 5-Year Estimates (2020-2024).

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DEBT STRUCTURE OF THE DISTRICT

Overview

The following table summarizes certain financial information concerning the District after delivery of the Series 2026 Certificates (unless otherwise noted). This information should be reviewed in conjunction with the other information contained under the heading “**DEBT STRUCTURE OF THE DISTRICT**” and the financial statements of the District in *Appendix B* to this Official Statement.

2025 Assessed Valuation ⁽¹⁾	\$453,904,064
2025 Estimated Actual Valuation ⁽²⁾	\$1,920,699,737
Outstanding General Obligation Bonds (“ Direct Debt ”) ⁽³⁾	\$51,188,013
Lease Debt ⁽⁴⁾	\$0
Total Direct Debt and Lease Debt	\$51,188,013
Estimated Population (2024)	17,616
Per Capita Direct Debt	\$2,906
Ratio of Direct Debt to Assessed Valuation	11.28%
Ratio of Direct Debt to Estimated Actual Valuation	2.67%
Per Capita Direct Debt and Lease Debt	\$2,906
Ratio of Direct Debt and Lease Debt to Assessed Valuation	11.28%
Ratio of Direct Debt and Lease Debt to Estimated Actual Valuation	2.67%
Overlapping or Underlying General Obligation Debt (“ Indirect Debt ”) ⁽⁵⁾	\$0
Total Direct Debt, Lease Debt and Indirect Debt	\$51,188,013
Per Capita Direct Debt, Lease Debt and Indirect Debt	\$2,906
Ratio of Direct Debt, Lease Debt and Indirect Debt to Assessed Valuation	11.28%
Ratio of Direct Debt, Lease Debt and Indirect Debt to Estimated Actual Valuation	2.67%

-
- (1) Includes real and personal property valuations as provided by the Perry County Clerk and Bollinger County Clerk but excludes assessed valuation attributable to the incremental increase in assessed valuation over the established assessed valuation base within TIF Redevelopment Areas (defined herein) located within the District and excludes assessed valuations attributable to state assessed railroad and utility property. For further details, see “**PROPERTY TAX INFORMATION CONCERNING THE DISTRICT.**”
- (2) Estimated actual valuation is calculated by dividing the assessed valuation of 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) As of the date of this Official Statement, the District has no outstanding general obligation bonds. See “**DEBT STRUCTURE OF THE DISTRICT – Current Long-Term General Obligation Indebtedness.**”
- (4) Includes the outstanding Series 2019 Certificates, the Series 2020 Certificates, the Series 2022 Certificates and the Series 2026 Certificates, the principal amount of which is preliminary and subject to change. See “**DEBT STRUCTURE OF THE DISTRICT – Outstanding Certificates of Participation.**”
- (5) See “**DEBT STRUCTURE OF THE DISTRICT – Overlapping or Underlying General Obligation Indebtedness.**”
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Current Long-Term General Obligation Indebtedness

As of the date of this Official Statement, the District has no general obligation indebtedness.

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</u>
2025	\$0	0.00%
2024	0	0.00
2023	0	0.00
2022	0	0.00
2021	0	0.00

Source: Annual Secretary of the Board Reports for fiscal years ended June 30, 2021 through June 30, 2025.

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 held in even-numbered years or two-thirds voter approval on any other election date.

The current legal debt limitation and debt margin of the District, based on the 2025 assessed valuation, is approximately \$68,085,609.

The District's legal debt limit and debt margin would be higher if the valuation of state assessed railroad and utility property that is physically located within the boundaries of the District was taken into account. This amount was not 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.

Outstanding Certificates of Participation

Series 2019 Certificates. On January 9, 2019, the District delivered Lease Certificates of Participation, Series 2019, in the original principal amount of \$6,000,000 (the "**Series 2019 Certificates**") for the purpose of funding the site development, construction, equipping and furnishing of a Kindergarten through Second Grade Center, to replace a portion of the current middle school and construct, equip, and furnish a classroom addition which will connect the middle school gym and the cafeteria, providing one enclosed building and to complete other remodeling and repair improvements to existing facilities of the District (the "**Series 2019 Project**"). The Series 2019 Certificates represent the proportionate interests of the owners thereof in the right to receive rental

payments to be made by the District, subject to annual appropriation, pursuant to a Project Lease Agreement dated as of March 27, 2018 (the “**Initial Lease**”), as supplemented and amended by a First Supplemental Project Lease Agreement dated as of September 15, 2019 between UMB Bank, N.A. and the District. As of the date of this Official Statement, Series 2019 Certificates in the aggregate principal amount of \$1,500,000 remain outstanding.

Series 2020 Certificates. On February 20, 2020, the District delivered Lease Certificates of Participation, Series 2020, in the original principal amount of \$9,500,000 (the “**Series 2020 Certificates**”) for the purpose of providing funds to complete the Series 2019 Project. The Series 2020 Certificates represent the proportionate interests of the owners thereof in the right to receive rental payments to be made by the District, subject to annual appropriation, pursuant to a Second Supplemental Project Lease Agreement dated as of February 20, 2020 between UMB Bank, N.A., and the District, which supplemented and amended the Initial Lease, as amended. As of the date of this Official Statement, Series 2020 Certificates in the aggregate principal amount of \$8,275,000 remain outstanding.

Series 2022 Certificates. On February 23, 2022, the District delivered Lease Refunding Certificates of Participation, Series 2022, in the original principal amount of \$9,450,000 (the “**Series 2022 Certificates**” and collectively with the Series 2019 Certificates and the Series 2020 Certificates, the “**Prior Certificates**”) for the purpose of providing funds to refund certain then outstanding lease certificates of participation of the District. The Series 2022 Certificates represent the proportionate interests of the owners thereof in the right to receive rental payments to be made by the District, subject to annual appropriation, pursuant to a Project Lease Agreement dated as of February 23, 2022 between UMB Bank, N.A., and the District. As of the date of this Official Statement, Series 2022 Certificates in the aggregate principal amount of \$7,980,000 remain outstanding.

The following schedule shows the yearly rental payments that are payable by the District, subject to annual appropriation, and that are distributable to owners of the Prior Certificates and the Series 2026 Certificates. Such payments are payable from moneys in the District’s Capital Projects Fund and are not payable from any money in the District’s Debt Service Fund.

Fiscal Year Ending June 30	<u>Prior Certificates</u>		<u>Series 2026 Certificates</u>		Total Rental Payments
	<u>Principal Portion</u>	<u>Interest Portion</u>	<u>Principal Portion*</u>	<u>Interest Portion**</u>	
2027	\$1,545,000	\$564,300.00	\$ 0.00		
2028	1,590,000	527,150.00	0.00		
2029	1,700,000	488,500.00	4,532.25		
2030	1,575,000	444,350.00	246,807.15		
2031	1,650,000	397,100.00	313,420.20		
2032	1,725,000	347,600.00	372,300.25		
2033	1,750,000	291,850.00	471,284.30		
2034	1,850,000	232,850.00	511,058.40		
2035	1,995,000	166,350.00	520,396.70		
2036	1,175,000	95,000.00	1,115,309.50		
2037	1,200,000	48,000.00	1,142,320.25		
2038	0	0.00	1,811,785.80		
2039	0	0.00	1,777,650.00		
2040	0	0.00	1,726,422.00		
2041	0	0.00	1,689,566.20		
2042	0	0.00	1,650,160.00		
2043	0	0.00	4,295,000.00		
2044	0	0.00	4,725,000.00		
2045	0	0.00	5,280,000.00		

Fiscal Year Ending June 30	<u>Prior Certificates</u>		<u>Series 2026 Certificates</u>		<u>Total Rental Payments</u>
	<u>Principal Portion</u>	<u>Interest Portion</u>	<u>Principal Portion*</u>	<u>Interest Portion**</u>	
2046	0	0.00	5,780,000.00		
Total	\$17,755,000	\$3,603,050.00	\$33,433,013.00		

* Preliminary; subject to change.

** Includes Compounded Interest.

Future Borrowing Plans

Other than the Projects financed with the proceeds of the Series 2026 Certificates, the District does not have any immediate plans to finance any capital improvements.

Overlapping or Underlying General Obligation Indebtedness

As of the date of this Official Statement, there are no political subdivisions with boundaries overlapping the District that have outstanding general obligation debt. Furthermore, political subdivisions may have ongoing programs requiring the issuance of substantial additional bonds or other long-term obligations such as leases, the amounts of which may be unknown to the District at this time and are not included herein.

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, 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 Van de Ven, LLC, Cape Girardeau, Missouri. The audited financial statements of the District for the fiscal year ended June 30, 2025, 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 2024-2025 fiscal year, the District’s sources of revenue were as follows:

<u>Source</u>	<u>Amount</u>	<u>%</u>
Local Revenue		
Property Taxes	\$13,439,860	44.28%
Proposition “C” Sales Tax	3,044,978	10.03
Other	2,890,746	9.52
County Revenue:		
Railroad & Utility Property Taxes	973,710	3.21
Fines, Forfeitures & Other	84,431	0.28
State Revenue	7,059,540	23.26
Federal Revenue	2,607,368	8.59
Other Revenue	<u>254,081</u>	<u>0.84</u>
Total Revenue	\$30,354,715	100.00%

Source: District’s Annual Secretary of the Board Report for fiscal year ended June 30, 2025.

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>
2026	\$1,465
2025	1,514
2024	1,475
2023	1,287
2022	1,214

For the current 2026-2027 fiscal year, each school district is expected to receive approximately \$1,468 per pupil from Proposition C revenues; 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 school district and in part on the taxes levied by each school 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>
2026	\$7,145
2025	6,750
2024	6,375
2023	6,375
2022	6,375

The State Adequacy Target for the current 2026-2027 fiscal year is expected to be \$7,145 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 2024-2025 and 2025-2026 fiscal years was 1.011 and 1.013, respectively.

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>
2026	\$521
2025	605
2024	472
2023	425
2022	430

The estimated Classroom Trust Fund distributions to school districts during the current 2026-2027 fiscal year are expected to be equal to approximately \$539; 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. For the current fiscal year ending June 30, 2027, the District's Capital Projects Fund levy is \$0.7479 per \$100 of assessed valuation and will be reduced by \$0.5440 per \$100 of assessed valuation in 2046.

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 did not make a transfer from the Incidental Fund to the Capital Projects Fund under this provision during the 2024-2025 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. The District did not make a transfer from the Incidental Fund to the Debt Service Fund or the Capital Projects Fund under this provision during the 2024-2025 fiscal year.

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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, 2021 through 2025. 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>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
General (Incidental) Fund					
Balance--Beginning of Year	\$6,241,678	\$6,798,094	\$7,531,338	\$8,185,966	\$8,209,671
Revenues	12,360,261	14,807,592	16,311,732	16,657,597	16,770,974
Expenditures	(8,440,062)	(9,522,868)	(9,603,130)	(10,688,148)	(10,245,501)
Transfers In (Out)	(3,363,782)	(4,551,480)	(6,053,974)	(5,945,744)	(5,523,515)
Balance--End of Year	\$6,798,094	\$7,531,338	\$8,185,966	\$8,209,671	\$9,211,629
Special Revenue (Teachers') Fund					
Balance--Beginning of Year	\$1,622	\$1,622	\$0	\$0	\$0
Revenues	11,397,803	10,231,027	10,077,613	9,565,660	9,640,483
Expenditures	(13,564,974)	(13,382,984)	(14,783,669)	(14,921,972)	(15,163,998)
Transfers In (Out)	2,167,171	3,150,334	4,706,056	5,356,312	5,523,515
Balance--End of Year	\$1,622	\$0	\$0	\$0	\$0
Debt Service Fund					
Balance--Beginning of Year	\$0	\$0	\$0	\$0	\$0
Revenues	0	0	0	0	0
Expenditures	0	0	0	0	0
Balance--End of Year	\$0	\$0	\$0	\$0	\$0
Capital Projects Fund					
Balance--Beginning of Year	\$1,220,388	\$3,871,112	\$6,095,544	\$1,749,821	\$1,575,090
Revenues	7,133,576	7,530,233	5,086,044	4,406,695	3,943,257
Expenditures	(5,679,463)	(6,706,947)	(10,779,685)	(5,170,858)	(2,819,093)
Transfers In (Out)	1,196,611	1,401,146	1,347,918	589,431	0
Balance--End of Year	\$3,871,112	\$6,095,544	\$1,749,821	\$1,575,090	\$2,699,253
Total Governmental Funds					
Balance--Beginning of Year	\$7,463,688	\$10,670,828	\$13,626,881	\$9,935,787	\$9,784,761
Revenues	30,891,640	32,568,852	31,475,389	30,629,951	30,354,715
Expenditures	(27,684,500)	(29,612,799)	(35,166,484)	(30,780,977)	(28,228,593)
Balance--End of Year	\$10,670,828	\$13,626,881	\$9,935,787	\$9,784,761	\$11,910,883

Source: Annual Secretary of the Board Reports for fiscal years ended June 30, 2021-2025.

Risk Management

Generally. The District is exposed to various risks of loss from, among other things, tort; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains several policies of insurance, providing coverage that includes casualties to the District's facilities and general liability insurance, which policies are subject to certain deductible clauses. There has been no significant reduction in insurance coverage from the previous year.

MUSIC. The District is a member of the Missouri United School Insurance Council (MUSIC), a protected, self-insurance program of approximately 490 Missouri public school districts and junior college districts. The District does not pay premiums to purchase insurance policies, but it does pay an annual assessment to be a member of MUSIC. Part of the annual assessment is used to purchase excess insurance for the group as a whole.

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, 2025.

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, 2025 (the "**2025 PSRS/PEERS ACFR**"), the comprehensive financial report for the plans, is available at www.psr-peers.org/About-Us. The link to the 2025 PSRS/PEERS ACFR is provided for general background information only, and the information in the 2025 PSRS/PEERS ACFR is not incorporated by reference herein. The 2025 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, 2025, 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, 2025, 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 89.1% and 89.9%, respectively, as of June 30, 2025, according to the 2025 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 2025 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⁾
2025	\$835,236,887	\$848,104,682	\$12,867,795	\$172,711,373	\$173,979,445	\$1,268,072
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

Source: “Schedules of Employer Contributions” in the Financial Section of the 2025 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
2025	\$54,466,041	\$61,144,573	89.1%	\$7,414,008	\$8,250,244	89.9%
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

Source: “Schedule of Funding Progress” in the Actuarial Section of the 2025 PSRS/PEERS ACFR.

For information specific to the District’s participation in PSRS and PEERS, including the District’s past contributions and proportionate share of the net pension liability of PSRS and PEERS, see Note 6 to the District’s financial statements included in *Appendix B* to this Official Statement. For additional information regarding PSRS and PEERS, see the 2025 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. 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.

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 and the incremental increase in assessed valuation over the established assessed valuation base within TIF Redevelopment Areas (defined herein) located within the District) according to the assessment for calendar year 2025 for property owned as of January 1, 2025, as finally equalized.

<u>Type of Property</u>	<u>Total Assessed Valuation</u>	<u>Assessment Rate</u>	<u>Estimated Actual Valuation</u>	<u>% of Actual Valuation</u>
Real:				
Residential	\$213,113,466	19.00%	\$1,121,649,821	58.40%
Agricultural	12,227,658	12.00%	101,897,150	5.31
Commercial ⁽¹⁾	91,711,564	32.00%	286,598,638	14.92
Total Real	\$317,052,688		\$1,510,145,609	
Personal⁽¹⁾⁽²⁾	136,851,376	33.33%	410,554,128	21.38
Total Real & Personal	\$453,904,064		\$1,920,699,737	100.00%

Source: Perry County Clerk; Bollinger County Clerk.

(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 and amounts attributable to the incremental increase in assessed valuation over the established assessed valuation base within TIF Redevelopment Areas (defined herein) located within the District) according to the assessments of January 1, as finally equalized, in each of the following years has been as follows:

Calendar Year	Assessed Valuation	% Change
2025	\$453,904,064	11.14%
2024	408,394,960	3.31
2023	395,299,404	2.21
2022	386,733,884	10.30
2021	350,604,700	6.68

Source: Annual Secretary of the Board Reports for fiscal years ended June 30, 2022-2025; Perry County Clerk; Bollinger County Clerk.

Property Tax Levies and Collections

Generally. Property taxes are levied and collected for the District by Perry County and Bollinger County, for which each 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 each 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 Clerks in April. The District must fix its ad valorem property tax rates and certify them to the County Clerks 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 each County Assessor. The County Assessors are responsible for preparing the tax rolls each year and for submitting tax rolls to the Board of Equalization of their respective 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 Collectors. The County Collectors extend the taxes on the tax rolls and issue 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 Collectors 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 Collectors are 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, Chapters 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.

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.

Currently, certain portions of the District are located in tax increment financing redevelopment areas ("TIF Redevelopment Areas"). 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.

According to the Perry County Assessor's office, the assessed valuation of the property within the TIF Redevelopment Areas within the District was approximately \$20,556,384 for the 2025 tax year. See **"PROPERTY TAX INFORMATION CONCERNING THE DISTRICT – Property Valuations – Current Assessed Valuation"** and **"– History of Property Valuations."**

Tax Rates

Debt Service Levy. The District's debt service levy for the 2026-2027 fiscal year is \$0.00 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, 2027, the District's operating levy (all funds except the debt service fund levy) is \$3.4979 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 June 30	General Incidental Fund	Special Revenue Teachers' Fund	Debt Service Fund	Capital Projects Fund	Total Levy
2026	\$2.7500	\$0.0000	\$0.0000	\$0.5264	\$3.2764
2025	2.7500	0.0000	0.0000	0.6510	3.4010
2024	2.7500	0.0000	0.0000	0.6485	3.3985
2023	2.7500	0.0000	0.0000	0.6456	3.3956
2022	2.7500	0.0000	0.0000	0.6436	3.3936
2021	1.8626	1.1262	0.0000	0.5500	3.5388

Source: District; District's Annual Secretary of the Board Reports for fiscal years ended June 30, 2021 through 2025.

Tax Collection Record

Total Taxes Levied are based on assessed valuation as of December 31 of each year. 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	Assessed Valuation⁽¹⁾	Total Taxes Levied⁽²⁾	Current & Delinquent Taxes Collected⁽³⁾	
				Amount	%
2025	\$3.4010	\$408,394,960	\$13,889,513	\$13,439,860	96.76%
2024	3.3985	395,299,404	13,434,250	13,126,707	97.71
2023	3.3956	386,733,884	13,131,936	12,874,451	98.04
2022	3.3936	350,604,700	11,898,121	11,960,761	100.53
2021	3.5388	328,640,245	11,629,921	11,751,832	101.05

Source: District's Annual Secretary of the Board Reports for fiscal years ended June 30, 2021 through 2025.

(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 (plus penalties), add-ons from zeroing incorrect bills and late reporting of property may cause the percentage of total taxes collected to exceed 100%. 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 property taxpayers in the District based on the valuation of property owned as of January 1, 2025, as finally equalized. The District has not independently verified the accuracy or completeness of such information.

Real Property

<u>Owner</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
1. Citizens Electric Corp.	\$10,172,421	2.24%
2. Citizens Electric Corp.	7,655,934	1.69
3. TG (USA) Corporation	3,592,250	0.79
4. Citizens Electric Corp.	2,983,566	0.66
5. TG (USA) Corporation	2,411,747	0.53
6. Gilster-Mary Lee Corporation	1,179,481	0.26
7. Wal-Mart Real Estate Business Trust	1,646,750	0.36
8. The Bank of Missouri	1,618,964	0.36
9. Gilster-Mary Lee Corporation	1,498,564	0.33
10. Midwest Lodging LLC	<u>1,137,208</u>	<u>0.25</u>
Total	\$33,896,885	7.47%

Source: Perry County Assessor's Office; Bollinger County Assessor's Office.

Personal Property

<u>Owner</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
1. TG Missouri Corporation	\$8,794,050	1.94%
2. Toyota Motor Mfg	5,646,460	1.24
3. Ames Construction	4,947,030	1.09
4. Citizens Electric Corporation (Perryville)	3,885,250	0.86
5. Toyota Motor Mfg	2,513,110	0.55
6. Zoellner Construction Company, Inc.	1,240,440	0.27
7. Siteone Landscape Supply, LLC	1,061,170	0.23
8. Gilster-Mary Lee Corp (Trailers)	1,031,080	0.23
9. Honda Dev & Mfg of America	922,500	0.20
10. Enterprise FM Trust	<u>862,200</u>	<u>0.19</u>
Total	\$30,903,290	6.81%

Source: Perry County Assessor's Office; Bollinger County Assessor's Office.

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APPENDIX B

**AUDITED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

June 30, 2025

CONTENTS

INDEPENDENT AUDITOR’S REPORT

BASIC FINANCIAL STATEMENTS:

Government-Wide Financial Statements:

Statement of Net Position – Cash Basis Exhibit A

Statement of Activities – Cash Basis Exhibit B

Fund Financial Statements:

Balance Sheet – Cash Basis – Governmental Funds Exhibit C

Statement of Receipts, Disbursements, and Changes in Fund Balances – Cash Basis – Governmental Funds Exhibit D

Notes to Financial Statements:

OTHER INFORMATION:

Budgetary Comparison Schedule – Cash Basis – General Fund Schedule 1

Budgetary Comparison Schedule – Cash Basis – Teachers’ Fund Schedule 2

Notes to Budgetary Information

Schedule of Proportionate Share of the Net Pension Liability and Related Ratios Schedule 3

Schedule of Employer Contributions Schedule 4

SUPPLEMENTARY INFORMATION:

Budgetary Comparison Schedule – Cash Basis – Capital Projects Fund Schedule 5

Schedule of Receipts Collected by Source – School District Funds Schedule 6

Schedule of Disbursements by Object – School District Funds. Schedule 7

STATE:

Independent Accountant’s Report on Management’s Assertions About Compliance
with Specified Requirements of Missouri Laws and Regulations

Schedule of Selected Statistics Schedule 8

Schedule of Transportation Costs Eligible for State Aid Schedule 9

FEDERAL:

Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

Independent Auditor’s Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by the Uniform Guidance

Schedule of Expenditures of Federal Awards. Schedule 10

Notes to the Schedule of Expenditures of Federal Awards Schedule 11

Schedule of Findings and Questioned Costs Schedule 12

Summary Schedule of Prior Audit Findings Schedule 13

Auditee’s Corrective Action Plan



INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Perry County School District No. 32
Perryville, Missouri

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of the Perry County School District No. 32, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Perry County School District No. 32'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 modified cash basis financial position of the governmental activities and each major fund of the Perry County School District No. 32, as of June 30, 2025, and the respective changes in the modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note 1E.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Perry County School District No. 32 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 1E of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified 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 modified cash basis of accounting described in Note 1E, and for determining that the modified 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Perry County School District No. 32'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 Perry County School District No. 32'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 Perry County School District No. 32's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal

awards, as required by Title 2 U.S. *Code of Federal Regulations*-Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Matters

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2025, on our consideration of the Perry County School District No. 32's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Perry County School District No. 32'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 Perry County School District No. 32's internal control over financial reporting and compliance.

VAN DE VEN, LLC
CPAs + Business Consultants

Van de Ven CPAs

Cape Girardeau, Missouri
December 5, 2025

BASIC FINANCIAL STATEMENTS

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

Exhibit A

STATEMENT OF NET POSITION – CASH BASIS

June 30, 2025

ASSETS:

Cash and Cash Equivalents	\$ 11,734,385
Restricted Cash	<u>135,067</u>

TOTAL ASSETS	<u>\$ 11,869,452</u>
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NET POSITION:

Student Scholarships	\$ 135,067
Unrestricted	<u>11,734,385</u>

TOTAL NET POSITION	<u><u>\$ 11,869,452</u></u>
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The accompanying notes to the financial statements
are an integral part of this statement.

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

Exhibit B

STATEMENT OF ACTIVITIES – CASH BASIS

For the Year Ended June 30, 2025

Functions/Programs	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Governmental Activities
<u>GOVERNMENTAL ACTIVITIES:</u>				
Instruction	\$ 13,322,179	\$ 944,124	\$ 8,229,606	\$ (4,148,449)
Student Services	1,554,923	-	-	(1,554,923)
Instructional Staff Support	1,639,123	-	-	(1,639,123)
Office of the Principal Services	1,435,180	-	-	(1,435,180)
Other Support Services - School Administration	247,565	-	-	(247,565)
General Administration and Central Services	1,238,719	-	-	(1,238,719)
Fiscal Services	177,534	-	-	(177,534)
Operation and Maintenance of Plant Services	2,703,025	-	-	(2,703,025)
Security Services	101,604	-	-	(101,604)
Pupil Transportation	1,212,634	-	624,531	(588,103)
Food Services	1,493,104	351,234	812,771	(329,099)
Central Office Services	144,167	-	-	(144,167)
Community Services	612,240	115,947	-	(496,293)
Facilities Acquisition and Construction	329,112	-	-	(329,112)
Debt Service	2,017,483	-	-	(2,017,483)
Total Governmental Activities	<u>\$ 28,228,592</u>	<u>\$ 1,411,305</u>	<u>\$ 9,666,908</u>	<u>\$ (17,150,379)</u>
<u>GENERAL RECEIPTS:</u>				
Taxes:				
Property Taxes, Levied for General Purposes				\$ 10,867,470
Property Taxes, Levied for Capital Projects Purposes				2,572,389
State Assessed Utilities				973,710
Other Taxes - M&M Surtax				732,792
Other Taxes - Financial Institution Tax				1,270
Other Taxes - In Lieu of Tax				1,023
Transportation Fees From Patrons				13,563
Fines, Escheats, Etc.				84,431
Earnings from Temporary Deposits				519,307
Intergovernmental Revenue - Unrestricted				3,044,978
Other				424,137
Total General Receipts				<u>\$ 19,235,070</u>
Increase (Decrease) in Net Position				\$ 2,084,691
NET POSITION, July 1, 2024				<u>9,784,761</u>
NET POSITION, June 30, 2025				<u><u>\$ 11,869,452</u></u>

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

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

Exhibit C

BALANCE SHEET – CASH BASIS – GOVERNMENTAL FUNDS

June 30, 2025

	General (Incidental) Fund	Special Revenue (Teachers') Fund	Capital Projects Fund	Total Governmental Funds
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 9,043,062	\$ -	\$ 2,691,323	\$ 11,734,385
Restricted Cash	135,067	-	-	135,067
TOTAL ASSETS	<u>\$ 9,178,129</u>	<u>\$ -</u>	<u>\$ 2,691,323</u>	<u>\$ 11,869,452</u>
 <u>FUND BALANCES</u>				
Restricted	\$ 135,067	\$ -	\$ -	\$ 135,067
Assigned	698,859	-	2,691,323	3,390,182
Unassigned	8,344,203	-	-	8,344,203
TOTAL FUND BALANCES	<u>\$ 9,178,129</u>	<u>\$ -</u>	<u>\$ 2,691,323</u>	<u>\$ 11,869,452</u>

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

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

Exhibit D

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES – CASH BASIS – GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2025

	General (Incidental) Fund	Special Revenue (Teachers') Fund	Capital Projects Fund	Total Governmental Funds
RECEIPTS:				
Local	\$ 13,227,632	\$ 3,061,778	\$ 3,044,743	\$ 19,334,153
County	876,211	84,431	97,499	1,058,141
State	1,278,790	4,987,667	793,084	7,059,541
Federal	1,347,117	1,260,250	-	2,607,367
Other	7,724	246,357	-	254,081
TOTAL RECEIPTS	\$ 16,737,474	\$ 9,640,483	\$ 3,935,326	\$ 30,313,283
DISBURSEMENTS:				
Instruction	\$ 1,862,426	\$ 11,422,556	\$ 37,197	\$ 13,322,179
Student Services	400,363	1,154,560	-	1,554,923
Instructional Staff Support	921,825	667,949	49,349	1,639,123
General Administration and Central Services	495,751	742,968	-	1,238,719
Office of the Principal Services	527,572	906,606	1,002	1,435,180
Other Support Services - School Administration	131,981	115,584	-	247,565
Payroll Services	90,198	-	-	90,198
Financial Accounting Services	64,584	-	-	64,584
Other Fiscal Services	22,752	-	-	22,752
Operation and Maintenance of Plant Services	2,643,471	-	59,554	2,703,025
Security Services	101,604	-	-	101,604
Pupil Transportation	913,840	-	298,794	1,212,634
Food Services	1,467,099	-	26,005	1,493,104
Central Office Services	143,570	-	597	144,167
Community Services	458,465	153,775	-	612,240
Building Acq., Constr. and Improvements Services	-	-	329,112	329,112
Debt Service	-	-	2,017,483	2,017,483
TOTAL DISBURSEMENTS	\$ 10,245,501	\$ 15,163,998	\$ 2,819,093	\$ 28,228,592
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	\$ 6,491,973	\$ (5,523,515)	\$ 1,116,233	\$ 2,084,691
OTHER FINANCING SOURCES (USES):				
Transfers - Internal Activity	(5,523,515)	5,523,515	-	-
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	\$ 968,458	\$ -	\$ 1,116,233	\$ 2,084,691
FUND BALANCES, July 1, 2024	8,209,671	-	1,575,090	9,784,761
FUND BALANCES, June 30, 2025	\$ 9,178,129	\$ -	\$ 2,691,323	\$ 11,869,452

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

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Perry County School District No. 32 (the District) was established under the statutes of the state of Missouri. The District operates as a “six director” district (with seven members of the Board of Education) as described in RSMo. Chapter 162.

A. Principles Used to Determine Scope of Entity

The District's reporting entity includes the District's governing board and all related organizations for which the District exercises oversight responsibility.

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision of whether or not to include a potential component unit in the reporting entity was made by applying criteria set forth in GAAP. The basic--but not the only--criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, the District has no component units to be included.

B. Basis of Presentation - Government-Wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements are designed to provide readers with a broad overview of the District's finances. These statements are presented on an “economic resources” measurement focus and the cash basis of accounting.

The statement of net position presents information on all of the District's assets and liabilities with the difference between the two presented as net position. Because the District's statement of net position is presented on the cash basis of accounting, net position is presented as one of two categories: restricted or unrestricted. Restricted net position is further classified as either net position restricted by enabling legislation or net position that is otherwise restricted.

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued:

The statement of activities reports the cash disbursements of a given function offset by program cash receipts directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the disbursements and program receipts associated with the District's functional activity. Program receipts include charges for services, which report fees, fines and forfeitures, and other charges to users of the District's services; and operating grants and contributions, which finance annual operating activities. These receipts are subject to externally imposed restrictions to these program uses. Taxes and other receipt sources are reported as general cash receipts.

C. Fund Financial Statements

The District's fund financial statements are organized into funds, each of which is considered a separate accounting entity. Each fund is accounted for with a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, receipts and disbursements. Funds are organized into two major categories: governmental and proprietary. An emphasis is placed on major funds within the two categories.

The funds of the District are described below:

Governmental Funds

Government funds are those through which most government functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major funds:

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

Teachers' Fund - The Teachers Fund is required to be established by state law and may be used for the payment of salaries and insurance benefits for certificated personnel. The fund's receipts include property taxes, investment income, and county, state, and federal aid. The fund is also used to account for certain tuition payments made between school districts.

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued:

Capital Projects Fund - The Capital Projects Fund accounts for disbursements from the proceeds of bond issues, investment income earned on the proceeds and other receipts designated for acquisition or construction of major capital assets. The disbursements include major capital outlay projects and equipment purchases for instructional and support programs.

Proprietary Funds

Proprietary funds focus on the determination of changes in net position, financial position, and cash flows and are classified as either enterprise or internal service. The District had no proprietary funds.

D. Fund Balances

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

Nonspendable - The portion of fund balance that cannot be spent either because it is not in a spendable form or because it is legally or contractually required to remain intact. The District has no nonspendable fund balances.

Restricted – The portion of fund balance that has been mandated for a specific purpose by external parties, constitutional provisions or enabling legislation. The district has no restricted fund balances.

Committed – The portion of fund balance that has been set aside for a specific purpose by the Board of Education, 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 funds. The District has no committed fund balances.

Assigned – The portion of fund balance that is intended to be used for a specific purpose by the Board of Education, the District's highest level of decision-making authority, a body, or an official that has been given the authority by the Board of Education to assign funds. Assigned funds cannot cause a deficit in unassigned fund balance.

Unassigned – The portion of the general fund balance consists of excess funds that have not been classified in the previous four categories. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected disbursements and receipt shortfalls.

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued:

The details of the fund balances are included in the Balance Sheet –Cash Basis – Governmental Funds (Exhibit C). Restricted fund balances are used first, as appropriate, followed by assigned resources, as appropriate opportunities arise. Assigned fund balances are reduced to the extent that disbursement authority has been budgeted or the assignment has been changed by the Board of Education. Decreases to fund balances first reduce the Unassigned Fund balance; in the event that the Unassigned Fund Balance becomes zero, then Assigned and Restricted Fund Balances are used in that order.

The District developed and adopted Policy 3114 which provides for an Undesignated General Fund Balance Policy, under which it is the District's policy to:

- Strive to maintain a minimum undesignated balance between 12% and 20% of its prior year operating disbursements,
- Utilize the undesignated fund balance to provide the resources required to meet operating needs, to allow for unforeseen needs of an emergency nature and to permit orderly adjustment to changes resulting from fluctuations of receipt sources,
- Estimate the surplus or deficit for the current year and prepare a projection of the year-end undesignated fund balance. This projection is to be prepared by the Superintendent and will include an analysis of trends in fund balance levels on an historical and future projection basis. Any anticipated balance in excess of the minimum undesignated general fund balance may be budgeted at the discretion of the Board of Education.
- Develop a plan to replenish the undesignated fund balance to the established minimum level within two years if the fund balance declines below the 12% floor.

General Fund

The General Fund has an Unassigned Fund Balance of \$8,344,203 and an Assigned Fund Balance consisting of student activity balances of \$698,859 and Restricted Fund Balance consisting of student scholarship balances of \$135,067 at June 30, 2025.

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued:

Other Major Funds

The Teachers' Fund has an Unassigned Fund Balance of \$0 at June 30, 2025.

The Capital Projects Fund has an Assigned Fund Balance of \$2,691,323 at June 30, 2025.

E. Basis of Accounting

The government-wide Statement of Net Position and Statement of Activities and the fund financial statements are presented using the cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues and expenditures/expenses 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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide and financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB.

Governments also have the option of following subsequent private sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The District has no business-type activities or enterprise funds.

The effect of interfund activity has been eliminated from the government-wide financial statements.

F. Equity Classification

Equity reported in the Government Wide Statement of Net Position is classified as net position and displayed in three components:

Invested in capital assets, net of related debt – consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any associated debt. Because the District operates on the cash basis of accounting, there is no equity of this type reported.

Restricted net position – consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued:

F. Equity Classification – Continued:

Unrestricted net position - consists of all other net position that does not meet the definition of *restricted* or *invested in capital assets, net of related debt*. The District applies restricted net position when a disbursement is incurred for purposes for which both restricted and unrestricted net positions are available.

G. Interfund Activity

Exchange transactions between funds are reported as receipts in the seller funds and as expenditures/disbursements in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/disbursements to the funds that initially paid for them are not presented in the financial statements.

H. Cash and Certificates of Deposit

For the purpose of financial reporting, Cash and Restricted Cash include all demand deposits of the District and Certificates of Deposit include all time deposits of the District with an original maturity greater than three months. The District pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. Interest earned is allocated to contributing funds based on the amount each fund invests.

I. Use of Estimates

The preparation of financial statements in conformity with the cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

J. Teachers' Salaries

Payroll checks written and dated in June 2025 for July 2025 on the 2024-2025 contracts are included in the financial statements as an expenditure paid in the month of June. This practice has been consistently followed in previous years.

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued:

K. Post-Employment Benefits

In addition to the pension benefits described in Note 6, the District provides post-retirement health care benefits to all employees who retire from the District. The premium is paid by the retiree each month at the retiree's discretion for the subsequent month's coverage. There is no associated cost to the District under this program.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District provides health care benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the Federal government for this coverage. The premium is paid by the insured either monthly or quarterly at the insured's discretion for the next period's coverage. This program is offered for 18-month duration after the termination date. There is no associated cost to the District under this program.

L. Adoption of New Accounting Pronouncements

No new accounting policies were adopted in the year ended June 30, 2025.

2. DEPOSITS AND INVESTMENTS:

The State of Missouri limits investments by School Districts to the kind and character set forth in the Revised Missouri Statutes. Deposits include all funds held in checking accounts. Unrestricted investments include certificates of deposit with original maturities of greater than 3 months. Deposits and certificates of deposit are stated at cost which approximates market.

Missouri statutes require that the depository institution must collateralize all funds on deposit in financial institutions with appropriate securities to the extent not covered by Federal Deposit Insurance Corporation (FDIC). The securities must be of the types specified by Missouri statutes, for the collateralization of state funds and held by either the district or a financial institution other than the depository bank.

All cash is deposited with a local financial institution and are either insured by federal depository insurance or collateralized by securities pledged by the District's agent in the District's name.

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

2. DEPOSITS AND INVESTMENTS - Continued:

Deposits – At June 30, 2025 the District's deposits were entirely covered by federal depository insurance (FDIC) or by collateral held by the District's safekeeping bank's agent in the District's name. The carrying amount of the District's deposits was \$12,625,171, including \$400 in Petty Cash and the bank balance was \$12,816,741. Of the bank balances, \$250,000 was covered by federal depository insurance and \$12,566,341 was covered by collateral held in the District's name.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a depository bank failure, the district will not be able to recover its deposits or recover collateral securities that are in an outside party's possession. The District does not have a deposit policy for custodial credit risk

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The District is not exposed to interest rate risk because all certificates of deposit are short term and approximate fair value. The District has not formally adopted a deposit and investment policy regarding interest rate risk.

Concentration of Credit Risk – The District's excess cash is invested in certificates of deposit which are short term and approximate fair value. Concentration of credit risk is not a factor and the District has not adopted a policy regarding this risk.

3. RESTRICTED CASH:

Certain resources set aside for a specific purpose by external parties are classified as restricted on the Statement of Net Position – Cash Basis.

These funds include \$135,067 in the General Fund which is to be used for scholarships.

4. TAXES:

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and payable by December 31. The county collects the property taxes and remits them to the District on a monthly basis.

The District also receives sales tax collected by the state and remitted based on eligible pupils. The District has voted a full waiver of the Proposition C rollback.

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

4. TAXES - Continued:

The assessed valuation of the tangible taxable property for the calendar years 2024 and 2023 for purposes of local taxation was:

	<u>2024</u>	<u>2023</u>
Real Estate:		
Residential	\$ 190,581,789	\$ 187,272,288
Agricultural	11,942,190	11,814,774
Commerical	80,843,375	76,117,910
Personal	125,027,606	120,094,432
Total	<u>\$ 408,394,960</u>	<u>\$ 395,299,404</u>

The tax levy per \$100 of the assessed valuation of tangible taxable property for fiscal years 2024-2025 and 2023-2024 for purposes of local taxation was:

	<u>2024-2025</u>		<u>2023-2024</u>	
	<u>Unadjusted</u>	<u>Adjusted</u>	<u>Unadjusted</u>	<u>Adjusted</u>
General Fund	\$ 2.7500	\$ 2.7500	\$ 2.7500	\$ 2.7500
Capital Projects Fund	0.6510	0.6510	0.6485	0.6485
Total	<u>\$ 3.4010</u>	<u>\$ 3.4010</u>	<u>\$ 3.3985</u>	<u>\$ 3.3985</u>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2025, aggregated 96.76% of the current assessment computed on the basis of the levy as shown above.

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

5. CAPITAL LEASES:

The following is a summary of changes in capital leases for the year ended June 30, 2025:

	Lease Participation Certificates
Beginning Balance, July 1, 2024	\$ 21,261,343
Additions	-
Principal Payments	(1,564,705)
Ending Balance, June 30, 2025	<u>\$ 19,696,638</u>

The following is a schedule of the future minimum lease payments under the lease (assuming noncancellation):

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	1,628,744	612,747	2,241,491
2027	1,857,894	573,820	2,431,714
2028	1,590,000	527,150	2,117,150
2029	1,700,000	487,350	2,187,350
2030	1,575,000	444,350	2,019,350
2031-2035	8,970,000	1,516,750	10,486,750
2036-2037	2,375,000	143,000	2,518,000
Total	<u>\$ 19,696,638</u>	<u>\$ 4,305,167</u>	<u>\$ 24,001,805</u>

6. RETIREMENT PLAN:

Public School and Education Employee Retirement System of Missouri

Summary of Significant Accounting Policies

Financial reporting information pertaining to the District's participation in the Public School Retirement System of Missouri and the Public Education Employee Retirement System of Missouri (PSRS and PEERS, also referred to as the Systems) is prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended.

The fiduciary net position, as well as additions to and deductions from the fiduciary net position, of PSRS and PEERS have been determined on the same basis as they are reported by the Systems. The financial statements were prepared using the accrual basis of accounting. Member and employer contributions are recognized when due, pursuant to formal commitments and statutory requirements. Benefits and refunds of employee contributions are recognized when due

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

6. RETIREMENT PLAN: - Continued:

and payable in accordance with the statutes governing the Systems. Expenses are recognized when the liability is incurred, regardless of when payment is made. Investments are reported at fair value. The fiduciary net position is reflected in the measurement of the district's net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense. An Annual Comprehensive Financial Report ("ACFR") can be obtained at www.psrs-peers.org.

General Information about the Pension Plan

Plan Description. 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 the Systems, 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 "two-thirds 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.

PEERS is a mandatory cost-sharing multiple employer retirement system for all non-certificated 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 PSRS must contribute to PEERS. Employees of the Systems 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 PSRS.

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

6. RETIREMENT PLAN - Continued:

Benefits Provided. 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. 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 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.

PEERS is a defined benefit plan providing retirement, disability, and death 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 benefit until reaching minimum Social Security age (currently age 62), which is calculated using a 0.8% benefit factor. Actuarially age-reduced retirement benefits are available 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 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.

Summary Plan Descriptions detailing the provisions of the plans can be found on the Systems' website at www.psrs-peers.org.

Cost-of-Living Adjustments ("COLA"). The Board of Trustees has established a policy of providing COLAs to both PSRS and PEERS members as follows:

- If the June to June change in the Consumer Price Index for All Urban Consumers (CPI-U) is less than 2% for one or more consecutive one-year periods, a cost-of-living increase of 2% will be granted when the cumulative increase is equal to or greater than 2%, at which point the cumulative increase in the CPI-U will be reset to zero. For the following year, the starting CPI-U will be based on the June value immediately preceding the January 1 at which the 2% cost-of-living increase is granted.

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

6. RETIREMENT PLAN - Continued:

- If the June to June change in the CPI-U is greater than or equal to 2%, but less than 5%, a cost-of-living increase of 2% will be granted.
-
- If the June to June change in the CPI-U is greater than or equal to 5%, a cost-of-living increase of 5% will be granted.
-
- If the CPI decreases, no COLA is provided.

For any PSRS member retiring on or after July 1, 2001, such adjustments commence on the second January after commencement of benefits and occur annually thereafter. For PEERS members, such adjustments commence on the fourth January after commencement of benefits and occur annually thereafter. The total of such increases may not exceed 80% of the original benefit for any member.

Contributions. PSRS members were required to contribute 14.5% of their annual covered salary during fiscal years 2023, 2024, and 2025. 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.

PEERS members were required to contribute 6.86% of their annual covered salary during fiscal years 2023, 2024, and 2025. 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 PSRS and PEERS were \$1,781,639 and \$335,720, respectively, for the year ended June 30, 2025.

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

6. RETIREMENT PLAN - Continued:

Pension Liabilities and Pension Expenses

At June 30, 2025, the district recorded a liability of \$14,794,722 for its proportionate share of the PSRS net pension liability and \$1,798,217 for its proportionate share of the PEERS net pension liability. In total the district recorded net pension liabilities of \$16,592,939. The net pension liability for the plans in total was measured as of June 30, 2024, and determined by an actuarial valuation as of that date. The district's proportionate share of the total net pension liability was based on the ratio of its actual contributions paid to PSRS and PEERS of \$1,750,144 and \$336,309, respectively, for the year ended June 30, 2024, relative to the total contributions of \$818,841,136 for PSRS and \$161,238,002 for PEERS from all participating employers. At June 30, 2024, the district's proportionate share was 0.2137% for PSRS and 0.2087% for PEERS.

For the year ended June 30, 2025, the district recognized pension expense (income) of \$1,762,250 for PSRS and \$496,482 for PEERS, its proportionate share of the total pension expense (income). Pension expense is the change in the net pension liability from the previous reporting period to the current reporting period, less adjustments. This may be a negative expense (pension income).

Actuarial Assumptions

Actuarial valuations of the Systems involve assumptions about the probability of occurrence of events far into the future in order to estimate the reported amounts. Examples include assumptions about future employment, salary increases, and mortality. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Board of Trustees adopts actuarial assumptions, each of which individually represents a reasonable long-term estimate of anticipated experience for the Systems, derived from experience studies conducted every fifth year and from Board policies concerning investments and COLAs. The most recent comprehensive experience studies were completed in May 2021. All economic and demographic assumptions were reviewed and certain assumptions were updated, where appropriate, based on the results of the studies and effective with the June 30, 2021 valuations. For PSRS, the retirement rates assumption was updated for the June 30, 2023 valuation due to the passage of Senate Bill 75 (HCS/SS/SB 75), which added the 2.55% formula factor benefit for members that retire with 32 or more years of service. There have been no other changes to the actuarial assumptions and methods for PSRS or PEERS since the June 30, 2021 valuations. Significant actuarial assumption and methods are detailed below. For additional information please refer to the Systems' Annual Comprehensive Financial Report (ACFR). The next experience studies are scheduled for 2026.

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

6. RETIREMENT PLAN – Continued:

Significant actuarial assumptions and other inputs used to measure the total pension liability:

- Measurement Date	June 30, 2024	
- Valuation Date	June 30, 2024	
- Investment Rate of Return	7.30%, net of investment expenses and including 2.00% inflation.	
- Inflation	2.00% per annum	
- Total Payroll Growth	PSRS	2.25% per annum, consisting of 2.00% inflation, 0.125% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.125% of real wage growth due to productivity.
	PEERS	2.50% per annum, consisting of 2.00% inflation, 0.25% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.25% of real wage growth due to productivity.
- Future Salary Increases	PSRS	2.625% - 8.875%, depending on service and including 2.00% inflation, 0.125% real wage growth due to the inclusion of active health care costs in pensionable earnings, 0.125% of real wage growth due to productivity, and real wage growth for merit.
	PEERS	3.25% - 9.75%, depending on service and including 2.00% inflation, 0.25% real wage growth due to the inclusion of active health care costs in pensionable earnings, 0.25% of real wage growth due to productivity, and real wage growth for merit.
- Cost of Living Increases	PSRS & PEERS	Given that the actual increase in the CPI-U index from June 2023 to June 2024 was 2.97%, the Board approved an actual cost-of-living adjustment (COLA) as of January 1, 2025 of 2.00%, in accordance with the Board's funding policy and Missouri statutes, compared to the assumed COLA of 1.35%. Future COLAs assumed in the valuation are 1.35% each January 1. This COLA assumption is based on the 20-year stochastic analysis of inflation performed in the 2021 experience study and application of the Board's funding policy to those expectations. The current policy of the Board to grant a COLA on each January 1 as follows: - If the June to June change in the CPI-U is less than 2% for one or more consecutive one year periods, a cost-of-living increase of 2% will be granted when the cumulative increase is equal to or greater than 2%, at which point the cumulative increase in the CPI-U will be reset to zero. For the following year, the starting CPI-U will be based on the June value immediately preceding the January 1 at which the 2% cost-of-living increase is granted. - If the June to June change in the CPI-U is greater than or equal to 2%, but less than 5%, a cost-of-living increase of 2% will be granted.

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

6. RETIREMENT PLAN – Continued:

- If the June to June change in the CPI-U is greater than or equal to 5%, a cost-of-living increase of 5% will be granted.

- If the CPI decreases, no COLA is provided.

The COLA applies to service retirements and beneficiary annuities. The COLA does not apply to the benefits for in-service death payable to spouses (where the spouse is over age 60), and does not apply to the spouse with children pre-retirement death benefit, the dependent children pre-retirement death benefit, or the dependent parent death benefit. The total lifetime COLA cannot exceed 80% of the original benefit. PSRS members receive a COLA on the second January after retirement, while PEERS members receive a COLA on the fourth January after retirement.

- Mortality Assumption
 Actives:

PSRS	Experience-adjusted Pub-2010 Teachers Mortality Table for Employees with generational projection using the MP-2020 improvement scale. Experience adjustments are equal to the healthy retiree experience-based adjustment factors at all ages for both males and females.
PEERS	Experience-adjusted Pub-2010 General (Below-Median Income) Mortality Table for Employees with generational projection using the MP-2020 improvement scale. Experience adjustments are equal to the healthy retiree experience-based adjustment factors at all ages for both males and females.

Non-Disabled
 Retirees:

PSRS	Mortality rates for non-disabled retirees and beneficiaries are based on the Pub-2010 Teachers Mortality Table for Healthy Retirees and the Pub-2010 Teachers Mortality Table for Contingent Survivors, respectively. The tables are projected generationally using the MP-2020 improvement scale and multiplied by the experience-based adjustment factors shown in the tables below at all ages for both males and females.
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	Males	Females
Non- Disabled	1.10	1.04
Contingent Survivor	1.18	1.07

PEERS	Mortality rates for non-disabled retirees and beneficiaries are based on the Pub-2010 General (Below-Median Income) Mortality Table for Healthy Retirees and the Pub-2010 General (Below-Median Income) Mortality Table for Contingent Survivors, respectively. The tables are projected generationally using the MP-2020 improvement scale and multiplied by the experience-based adjustment factors shown in the tables below at all ages for both males and females.
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	Males	Females
Non- Disabled	1.13	0.94
Contingent Survivor	1.01	1.07

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

6. RETIREMENT PLAN - Continued:

Disabled Retirees:	PSRS	Experience-adjusted Pub-2010 Teacher Disability Mortality Table, projected generationally using the MP-2020 improvement scale. Experience adjustments are equal to the healthy retiree experience-based adjustment factors at all ages for both males and females.
	PEERS	Experience-adjusted Pub-2010 General Disability Mortality Table projected generationally using the MP-2020 improvement scale. Experience adjustments are equal to the healthy retiree experience-based adjustment factors at all ages for both males and females.
- Fiduciary Net Position		The Systems issue a publicly available financial report (CAFR) that can be obtained at www.psr-peers.org
- Expected Rate of Return		The long-term expected rate of return on investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed rate of return. The long-term expected rate of return on the Systems' investments was determined using a building-block method in which best-estimate ranges of expected future real rates of returns (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the longterm expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Systems' target allocation as of June 30, 2024 are summarized below.

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

6. RETIREMENT PLAN - Continued:

Asset Class	Target Asset Allocation	Long-term Expected Real Return Arithmetic Basis
U.S. Public Equity	23.00%	4.81%
Hedged Assets	6.00%	2.39%
Global Equity	16.00%	6.88%
U.S. Treasuries	15.00%	-0.02%
U.S. TIPS	0.00%	0.29%
Public Credit	0.00%	0.80%
Private Credit	8.00%	5.61%
Private Equity	21.00%	10.90%
Private Real Estate	11.00%	7.47%
Total	<u>100.00%</u>	

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

6. RETIREMENT PLAN - Continued:

- Discount Rate

The long-term expected rate of return used to measure the total pension liability was 7.3% as of June 30, 2024 and is consistent with the long-term expected geometric return on plan investments. The actuarial assumed rate of return of 7.3% is consistent with the June 30, 2023 valuations and is based on the actuarial experience studies conducted during the 2021 fiscal year. The projection of cash flows used to determine the discount rate assumed that employer contributions would be made at the actuarially calculated rate computed in accordance with assumptions and methods stated in the funding policy adopted by the Board of Trustees, which requires payment of the normal cost and amortization of the unfunded actuarially accrued liability in level percent of employee payroll installments over 30 years utilizing a closed period, layered approach. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

- Discount Rate Sensitivity

The sensitivity of the district's net pension liabilities to changes in the discount rate is presented below. The district's net pension liabilities calculated using the discount rate of 7.3% is presented as well as the net pension liabilities (assets) using a discount rate that is 1.0% lower (6.3%) or 1.0% higher (8.3%) than the current rate.

PSRS-PEERS				
Discount Rate		1% Decrease (6.3%)	Current Rate (7.3%)	1% Increase (8.3%)
PSRS	Proportionate share of the Net Pension Liability / (Asset)	\$ 30,699,455	\$ 14,794,722	\$ 1,625,703
PEERS	Proportionate share of the Net Pension Liability / (Asset)	\$ 3,792,434	\$ 1,798,217	\$ 136,537

7. PARTICIPATION IN PUBLIC ENTITY RISK POOL - (MUSIC):

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District was unable to obtain general liability insurance at a cost it considered to be economically justifiable and, therefore, joined together with over 490 other Missouri Public School Districts to form the Missouri School Insurance Council (MUSIC). MUSIC is a public entity risk pool currently operating as a common risk management and insurance program. The District does not pay premiums to purchase insurance policies but pays an assessment to be a member of the self-sustaining risk sharing group. Part of the assessment is used to purchase excess insurance for the group as a whole.

The pooling agreement requires the pool to be self-sustaining. The District believes that it is not possible to estimate the range of contingent losses to be borne by the District.

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

8. TRANSFERS:

Interfund transfers for the year ended June 30, 2025 were:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Type</u>
General Fund	Teachers' Fund	\$ 5,356,312	Teachers' Fund Transfer
		<u>\$ 5,356,312</u>	

9. COMPENSATED ABSENCES:

Vacation time and sick leave are considered as expenditures in the year paid. Unused sick leave accumulates to a maximum of 180 days, per employee, but does not vest to the employee. Therefore, an amount representing unpaid vacation and sick leave is not recorded in the accompanying financial statements, nor disclosed. If an employee accumulates more than 180 days by the end of a school year, the excess days, over the 180 days maximum, will be paid for at the beginning of the following year. Employees who leave the District are paid a percentage of the accumulated sick days; the percentage of accumulated sick days paid depends on the number of years the employees have worked. The accumulated unused sick leave days at June 30, 2025 were 2,854 for classified employees and 8,798 for certified employees.

10. CONTINGENT LIABILITIES:

The District participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

11. SUBSEQUENT EVENTS:

For the year-ended June 30, 2025, the Company has evaluated subsequent events for potential recognition and disclosure through December 5, 2025, which is the date the financial statements were available to be issued.

OTHER INFORMATION

Schedule 1

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

BUDGETARY COMPARISON SCHEDULE -
CASH BASIS – GENERAL FUND

For the Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
RECEIPTS:	Original	Final	Actual	
Local	\$ 12,876,644	\$ 13,227,632	\$ 13,227,632	\$ -
County	779,482	876,211	876,211	-
State	1,286,276	1,278,790	1,278,790	-
Federal	1,710,794	1,347,117	1,347,117	-
Other	4,470	7,724	7,724	-
TOTAL RECEIPTS	\$ 16,657,666	\$ 16,737,474	\$ 16,737,474	\$ -
DISBURSEMENTS:				
Instruction:				
Regular Instruction	\$ 278,401	\$ 230,743	\$ 230,743	\$ -
Summer School (Regular)	7,569	21,514	21,514	-
Gifted & Talented	759	280	280	-
Special Education and Related Services	717,433	640,279	640,279	-
Supplemental Instruction	2,375	1,905	1,905	-
Bilingual	30,542	31,575	31,575	-
Early Childhood Special Education	135,277	82,175	73,975	8,200
Agricultural Education	12,092	26,924	26,924	-
Business Education	3,260	12,957	12,957	-
Family Consumer Sciences Education	9,836	5,232	5,232	-
Health Sciences Education	1,302	956	956	-
Trade and Industrial Education	99,281	109,917	109,917	-
Other Career Education (Non-Program Specific)	10,426	4,125	4,125	-
Student Activities	436,070	388,467	385,532	2,935
School-Sponsored Athletics	310,821	316,512	316,512	-
Total Instruction	\$ 2,055,444	\$ 1,873,561	\$ 1,862,426	\$ 11,135
Student Services:				
Counseling Services	\$ 12,691	\$ 25,555	\$ 25,555	\$ -
Record Maintenance Services	-	11,585	11,585	-
Medical Services	318,938	329,554	329,554	-
Speech Pathology and Audiology Services	-	1,120	1,120	-
Occupational Therapy-Related Services	46,918	3,640	3,640	-
Physical Therapy-Related Services	-	28,122	28,122	-
Other Support Services - Students	8,084	787	787	-
Total Student Services	\$ 386,631	\$ 400,363	\$ 400,363	\$ -
Instructional Staff Support:				
Service Area Direction - Improvement of Instruction	\$ 39,738	\$ 69,714	\$ 69,714	\$ -
Instruction and Curriculum Development Services	568	3,089	3,089	-
Instructional Staff Training Services	299,973	100,823	100,823	-
Professional Development-One Percent	40,377	20,658	20,658	-
School Library Services	167,852	170,865	170,865	-
Instruction-Related Technology	695,402	556,676	556,676	-
Total Instructional Staff Support	\$ 1,243,910	\$ 921,825	\$ 921,825	\$ -
General Administration and Central Services:				
Board of Education Services	\$ 90,823	\$ 97,226	\$ 97,226	\$ -
Executive Administration Services	168,321	159,587	159,464	123
Other Executive Administration Services	110,428	145,559	145,559	-
Administrative Technology Services	112,956	93,502	93,502	-
Total General Administration and Central Services	\$ 482,528	\$ 495,874	\$ 495,751	\$ 123
Office of the Principal Services	\$ 592,565	\$ 527,572	\$ 527,572	\$ -
Other Support Services - School Administration	\$ 130,310	\$ 131,981	\$ 131,981	\$ -
Payroll Services	\$ 76,949	\$ 90,198	\$ 90,198	\$ -
Financial Accounting Services	\$ 101,713	\$ 64,584	\$ 64,584	\$ -
Other Fiscal Services	\$ 24,095	\$ 22,752	\$ 22,752	\$ -

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

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

Schedule 1

**BUDGETARY COMPARISON SCHEDULE -
CASH BASIS – GENERAL FUND**

For the Year Ended June 30, 2025

Operation and Maintenance of Plant Services:				
Operation and Maintenance of Plant Services	\$ 89,406	\$ 93,505	\$ 93,505	\$ -
Care and Upkeep of Building Services	2,362,595	2,453,075	2,453,075	-
Care and Upkeep of Grounds Services	24,880	26,232	26,232	-
Care and Upkeep of Equipment Services	29,383	62,953	62,953	-
Vehicle Servicing and Maintenance Services - Other	6,636	7,706	7,706	-
Total Operation and Maintenance of Plant Services	<u>\$ 2,512,900</u>	<u>\$ 2,643,471</u>	<u>\$ 2,643,471</u>	<u>\$ -</u>
Security Services	<u>\$ 170,944</u>	<u>\$ 101,604</u>	<u>\$ 101,604</u>	<u>\$ -</u>
Pupil Transportation:				
Contracted Transportation Services for Students	\$ 285	\$ 381	\$ 381	\$ -
District Operated Non-Disabled Student Trans Cost	769,460	753,944	753,944	-
District Operated K-12 Disabled Trans. Services	120,489	135,091	135,091	-
School Choice (ESEA)/ Prop Share (IDEA) Trans. Cost	5,600	763	763	-
Non-Allowable Transportation Expenditure	14,163	2,392	2,392	-
Early Childhood Special Education Trans. Serv.	25,781	21,269	21,269	-
Total Pupil Transportation	<u>\$ 935,778</u>	<u>\$ 913,840</u>	<u>\$ 913,840</u>	<u>\$ -</u>
Food Services:				
Food Services - Service Area Direction	\$ 66,932	\$ 70,073	\$ 70,073	\$ -
Food Preparation and Dispensing Services	1,310,573	1,280,311	1,280,311	-
Other Food Services	139,523	116,715	116,715	-
Total Food Services	<u>\$ 1,517,028</u>	<u>\$ 1,467,099</u>	<u>\$ 1,467,099</u>	<u>\$ -</u>
Central Office Services:				
Information Services - Service Area Direction	\$ 115,559	\$ 98,307	\$ 98,307	\$ -
Staff Accounting Services	45,577	45,263	45,263	-
Total Central Office Services	<u>\$ 161,136</u>	<u>\$ 143,570</u>	<u>\$ 143,570</u>	<u>\$ -</u>
Community Services:				
Community Education/Life Enrichment	\$ 480	\$ 2	\$ 2	\$ -
Early Childhood Program	103,197	107,478	107,478	-
Early Childhood Instruction	61,905	158,761	158,761	-
Non-Public School Students' Services	15,760	14,850	14,850	-
Custody and Care of Children Services	112,534	113,117	113,117	-
Other Community Services	7,250	61,812	61,812	-
Parental Involvement	2,666	2,445	2,445	-
Total Community Services	<u>\$ 303,792</u>	<u>\$ 458,465</u>	<u>\$ 458,465</u>	<u>\$ -</u>
TOTAL DISBURSEMENTS	<u>\$ 10,695,723</u>	<u>\$ 10,256,759</u>	<u>\$ 10,245,501</u>	<u>\$ 11,258</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	\$ 5,961,943	\$ 6,480,715	\$ 6,491,973	\$ 11,258
OTHER FINANCING SOURCES (USES):				
Transfers In (Out)	<u>(5,945,744)</u>	<u>(5,523,515)</u>	<u>(5,523,515)</u>	<u>-</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	\$ 16,199	\$ 957,200	\$ 968,458	\$ 11,258
FUND BALANCES, July 1, 2024	<u>8,209,671</u>	<u>8,209,671</u>	<u>8,209,671</u>	<u>-</u>
FUND BALANCES, June 30, 2025	<u>\$ 8,225,870</u>	<u>\$ 9,166,871</u>	<u>\$ 9,178,129</u>	<u>\$ 11,258</u>

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

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

Schedule 2

**BUDGETARY COMPARISON SCHEDULE -
CASH BASIS – TEACHERS’ FUND**

For the Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
RECEIPTS:				
Local	\$ 3,061,624	\$ 3,061,778	\$ 3,061,778	\$ -
County	100,842	84,431	84,431	-
State	4,765,006	4,987,667	4,987,667	-
Federal	1,397,701	1,260,250	1,260,250	-
Other	240,486	246,357	246,357	-
TOTAL RECEIPTS	\$ 9,565,659	\$ 9,640,483	\$ 9,640,483	\$ -
DISBURSEMENTS:				
Instruction:				
Regular Instruction	\$ 7,476,236	\$ 7,407,036	\$ 7,384,230	\$ 22,806
Summer School (Regular)	173,093	125,621	125,621	-
Alternative Programs	109,036	129,817	129,817	-
Gifted & Talented	59,499	76,610	76,610	-
Special Education and Related Services	1,617,157	1,633,382	1,633,382	-
Proportionate Share Services	7,560	7,619	7,619	-
Supplemental Instruction	239,790	230,082	230,082	-
Bilingual	163,838	196,662	196,662	-
Early Childhood Special Education	126,735	129,010	129,010	-
Agricultural Education	146,445	148,559	148,559	-
Business Education	133,637	133,918	133,918	-
Family Consumer Sciences Education	206,702	258,596	258,596	-
Health Sciences Education	78,686	79,616	79,616	-
Trade and Industrial Education	548,147	590,045	590,045	-
Other Career Education (Non-Program Specific)	54,051	57,237	57,237	-
School-Sponsored Athletics	188,481	187,939	187,939	-
Tuition To Other Districts within the State	77,527	53,613	53,613	-
Total Instruction	\$ 11,406,620	\$ 11,445,362	\$ 11,422,556	\$ 22,806
Student Services:				
Counseling Services	\$ 575,966	\$ 548,174	\$ 548,174	\$ -
Speech Pathology and Audiology Services	274,384	282,337	282,337	-
Occupational Therapy - Related Services	73,521	75,389	75,389	-
Other Support Services - Students	238,710	248,660	248,660	-
Total Student Services	\$ 1,162,581	\$ 1,154,560	\$ 1,154,560	\$ -
Instructional Staff Support:				
Instruction and Curriculum Development Services	\$ 112,791	\$ 117,274	\$ 117,274	\$ -
Instructional Staff Training Services	212,312	282,433	282,433	-
Professional Development - One Percent	7,799	1,696	24,502	(22,806)
School Library Services	238,438	243,740	243,740	-
Total Instructional Staff Support	\$ 571,340	\$ 645,143	\$ 667,949	\$ (22,806)
General Administration and Central Services:				
Executive Administration Services	\$ 325,792	\$ 335,358	\$ 335,358	\$ -
Other Executive Administration Services	312,248	319,357	319,357	-
Administrative Technology Services	84,549	88,253	88,253	-
Total General Administration and Central Services	\$ 722,589	\$ 742,968	\$ 742,968	\$ -
Office of the Principal Services	\$ 876,512	\$ 906,606	\$ 906,606	\$ -
Other Support Services - School Administration	\$ 112,171	\$ 115,584	\$ 115,584	\$ -
Early Childhood Instruction	\$ 70,158	\$ 153,775	\$ 153,775	\$ -
TOTAL DISBURSEMENTS	\$ 14,921,971	\$ 15,163,998	\$ 15,163,998	\$ -
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	\$ (5,356,312)	\$ (5,523,515)	\$ (5,523,515)	\$ -
OTHER FINANCING SOURCES (USES):				
Transfers In (Out)	5,356,312	5,523,515	5,523,515	-
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	\$ -	\$ -	\$ -	\$ -
FUND BALANCES, July 1, 2024	-	-	-	-
FUND BALANCES, June 30, 2025	\$ -	\$ -	\$ -	\$ -

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

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

NOTES TO BUDGETARY INFORMATION

For the Year Ended June 30, 2025

A. Budgets and Budgetary Accounting

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 District 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 budget information included in the financial statements.
6. Budgeted amounts are as originally adopted, or as amended by the Board of Education.

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

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

Schedule 3

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND
RELATED RATIOS

For the Year Ended June 30, 2025

Public School Retirement System of Missouri

<u>Year Ended*</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Actual Covered Member Payroll</u>	<u>Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Fiduciary Net Position as a Percentage of Total Pension Liability</u>
6/30/2015	0.2377%	\$ 13,722,088	\$ 10,808,758	126.95%	85.78%
6/30/2016	0.2372%	17,649,219	10,996,283	160.50%	82.18%
6/30/2017	0.2370%	17,115,015	11,217,581	152.57%	83.77%
6/30/2018	0.2404%	17,891,665	11,587,233	154.41%	84.06%
6/30/2019	0.2271%	16,760,140	11,163,220	150.14%	84.62%
6/30/2020	0.2212%	19,754,744	11,066,988	178.50%	82.01%
6/30/2021	0.2215%	4,903,518	11,402,090	43.01%	95.81%
6/30/2022	0.2095%	16,203,160	11,032,610	146.87%	86.04%
6/30/2023	0.2232%	18,660,687	12,190,364	153.08%	85.38%
6/30/2024	0.2137%	14,794,722	12,126,438	122.00%	88.26%

Public Education Employee Retirement System of Missouri

<u>Year Ended*</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Shares of the Net Pension Liability (Asset)</u>	<u>Actual Covered Member Payroll</u>	<u>Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Fiduciary Net Position as a Percentage of Total Pension Liability</u>
6/30/2015	0.2190%	\$ 1,158,304	\$ 3,283,485	35.28%	88.28%
6/30/2016	0.2131%	1,709,776	3,291,092	51.95%	83.32%
6/30/2017	0.2237%	1,706,721	3,594,712	47.48%	85.35%
6/30/2018	0.2247%	1,736,285	3,783,376	46.44%	86.06%
6/30/2019	0.2225%	1,759,888	3,835,843	45.88%	86.38%
6/30/2020	0.2182%	2,117,756	3,901,339	54.28%	84.06%
6/30/2021	0.2094%	225,508	3,837,616	5.88%	98.36%
6/30/2022	0.2236%	1,889,683	4,347,861	43.46%	87.92%
6/30/2023	0.2149%	2,146,645	4,538,379	47.30%	86.50%
6/30/2024	0.2086%	1,798,217	4,851,121	37.07%	88.96%

**The data provided in the schedules is based as of the measurement date of the Systems' net pension liability, which is as of the beginning of the District's fiscal year.*

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

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

Schedule 4

SCHEDULE OF EMPLOYER CONTRIBUTIONS

For the Year Ended June 30, 2025

Public School Retirement System of Missouri

Year Ended	Statutorily Required Contribution	Actual Employer Contributions	Contribution Excess/(Deficiency) (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
6/30/2015	\$ 1,560,360	\$ 1,560,360	\$ -	\$ 10,808,758	14.44%
6/30/2016	1,588,890	1,588,890	-	10,996,283	14.45%
6/30/2017	1,621,588	1,621,588	-	11,217,581	14.46%
6/30/2018	1,675,921	1,675,921	-	11,587,233	14.46%
6/30/2019	1,616,075	1,616,075	-	11,163,220	14.48%
6/30/2020	1,601,431	1,601,431	-	11,066,988	14.47%
6/30/2021	1,649,815	1,649,815	-	11,402,090	14.47%
6/30/2022	1,599,729	1,599,729	-	11,032,610	14.50%
6/30/2023	1,763,030	1,763,030	-	12,190,364	14.46%
6/30/2024	1,750,144	1,750,144	-	12,126,438	14.43%

Public Education Employee Retirement System of Missouri

Year Ended	Statutorily Required Contribution	Actual Employer Contributions	Contribution Excess/(Deficiency) (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
6/30/2015	\$ 225,247	\$ 225,247	\$ -	\$ 3,283,485	6.86%
6/30/2016	225,769	225,769	-	3,291,092	6.86%
6/30/2017	246,598	246,598	-	3,594,712	6.86%
6/30/2018	256,452	256,452	-	3,738,376	6.86%
6/30/2019	264,974	264,974	-	3,835,843	6.91%
6/30/2020	269,379	269,379	-	3,901,339	6.90%
6/30/2021	263,260	263,260	-	3,837,616	6.86%
6/30/2022	299,467	299,467	-	4,347,861	6.89%
6/30/2023	313,957	313,957	-	4,538,379	6.92%
6/30/2024	336,309	336,309	-	4,851,121	6.93%

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

SUPPLEMENTARY INFORMATION

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

Schedule 5

**BUDGETARY COMPARISON SCHEDULE –
CASH BASIS – CAPITAL PROJECTS FUND**

For the Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
RECEIPTS:				
Local	\$ 2,985,910	\$ 3,044,743	\$ 3,044,743	\$ -
County	86,616	97,499	97,499	-
State	941,702	793,084	793,084	-
Federal	123,223	-	-	-
Other	269,175	-	-	-
TOTAL RECEIPTS	\$ 4,406,626	\$ 3,935,326	\$ 3,935,326	\$ -
DISBURSEMENTS:				
Instruction:				
Regular Instruction	\$ 4,200	\$ 4,151	\$ 4,151	\$ -
Family Consumer Sciences Education	1,672	-	-	-
Agricultural Education	14,800	-	-	-
Trade and Industrial Education	91,737	33,046	33,046	-
School-Sponsored Athletics	9,877	-	-	-
Student Activities	2,000	-	-	-
Total Instruction	\$ 124,286	\$ 37,197	\$ 37,197	\$ -
Instructional Staff Support:				
Instruction-Related Technology	\$ 67,092	\$ 49,349	\$ 49,349	\$ -
Total Instructional Staff Support	\$ 67,092	\$ 49,349	\$ 49,349	\$ -
General Administration and Central Services:				
Office of the Principal Services	\$ 2,760	\$ 1,002	\$ 1,002	\$ -
Total General Administration and Central Services	\$ 2,760	\$ 1,002	\$ 1,002	\$ -
Operation and Maintenance of Plant Services:				
Care and Upkeep of Building Services	\$ 143,285	\$ 59,554	\$ 59,554	\$ -
Care and Upkeep of Equipment Services	33,738	-	-	-
Total Operation and Maintenance of Plant Services	\$ 177,023	\$ 59,554	\$ 59,554	\$ -
Security Services	\$ 10,196	\$ -	\$ -	\$ -
Pupil Transportation:				
District Operated Non-Disabled Student Trans Cost	\$ 552,624	\$ 298,794	\$ 298,794	\$ -
Total Pupil Transportation	\$ 552,624	\$ 298,794	\$ 298,794	\$ -
Food Services:				
Other Food Services	\$ -	\$ 26,005	\$ 26,005	\$ -
Total Food Services	\$ -	\$ 26,005	\$ 26,005	\$ -
Central Office Services:				
Health Services	\$ 15,282	\$ 597	\$ 597	\$ -
Total Central Office Services	\$ 15,282	\$ 597	\$ 597	\$ -
Building Acq., Constr. and Improvements Services	\$ 2,229,163	\$ 329,112	\$ 329,112	\$ -
Debt Service:				
Principal - Long Term Loans	\$ 74,344	\$ 76,403	\$ 76,403	\$ -
Principal - Lease Purchase Agreement	1,200,000	1,270,000	1,270,000	-
Interest - Long Term Loans	18,774	16,715	16,715	-
Interest - Lease Purchase Agreements	693,591	648,641	648,641	-
Fees - Lease Purchase Agreements	5,724	5,724	5,724	-
Total Debt Service	\$ 1,992,433	\$ 2,017,483	\$ 2,017,483	\$ -
TOTAL DISBURSEMENTS	\$ 5,170,859	\$ 2,819,093	\$ 2,819,093	\$ -
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	\$ (764,233)	\$ 1,116,233	\$ 1,116,233	\$ -
OTHER FINANCING SOURCES (USES):				
Transfers In (Out)	589,431	-	-	-
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	\$ (174,802)	\$ 1,116,233	\$ 1,116,233	\$ -
FUND BALANCES, July 1, 2024	1,575,090	1,575,090	1,575,090	-
FUND BALANCES, June 30, 2025	\$ 1,400,288	\$ 2,691,323	\$ 2,691,323	\$ -

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

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

Schedule 6

SCHEDULE OF RECEIPTS COLLECTED BY SOURCE – SCHOOL DISTRICT FUNDS

For the Year Ended June 30, 2025

	General (Incidental) Fund	Special Revenue (Teachers') Fund	Capital Projects Fund	Totals
<u>LOCAL:</u>				
Current Taxes	\$ 10,562,230	\$ -	\$ 2,500,137	\$ 13,062,367
Delinquent Taxes	305,240	-	72,252	377,492
School District Trust Fund (Prop C)	-	3,044,978	-	3,044,978
Financial Institution Tax	1,270	-	-	1,270
M&M Surtax	592,536	-	140,256	732,792
In Lieu of Tax	827	-	196	1,023
Transportation Fees From Patrons	13,563	-	-	13,563
Earnings from Temporary Deposits	419,953	-	99,354	519,307
Sales to Pupils - Reimbursable School Meals	286,952	-	-	286,952
Nonreimbursable Meal Sales - Non-Program Food	64,282	-	-	64,282
Admissions - Student Activities	50,589	-	-	50,589
Student Organization Membership Dues and Fees	429,909	-	-	429,909
Revenue from Enterprise Activities	167,147	-	-	167,147
Community Services	115,947	-	-	115,947
PK Tuition from Parents	50,122	-	-	50,122
Rentals	4,676	-	-	4,676
Gifts	75,000	-	225,000	300,000
Prior Period Adjustment	17,592	-	-	17,592
Miscellaneous Local Revenue	69,797	16,800	7,548	94,145
Total Local	\$ 13,227,632	\$ 3,061,778	\$ 3,044,743	\$ 19,334,153
<u>COUNTY:</u>				
Fines, Escheats, Etc.	\$ -	\$ 84,431	\$ -	\$ 84,431
State Assessed Utilities	876,211	-	97,499	973,710
Total County	\$ 876,211	\$ 84,431	\$ 97,499	\$ 1,058,141
<u>STATE:</u>				
Basic Formula - State Monies	\$ -	\$ 4,516,915	\$ -	\$ 4,516,915
Transportation	624,531	-	-	624,531
Early Childhood Special Education	103,846	55,917	-	159,763
Basic Formula - Classroom Trust Fund	338,151	28,480	782,337	1,148,968
Educational Screening Prog	39,896	-	-	39,896
Career Education	47,972	227,039	10,747	285,758
Food Service - State	6,887	-	-	6,887
Missouri Quality Pre-K (MOQPK) - LEA	-	159,316	-	159,316
High Need Fund - Special Education	11,140	-	-	11,140
Other - State	106,367	-	-	106,367
Total State	\$ 1,278,790	\$ 4,987,667	\$ 793,084	\$ 7,059,541
<u>FEDERAL:</u>				
Medicaid	\$ 267,201	\$ -	\$ -	\$ 267,201
ARP - ESSER III	17,196	3,000	-	20,196
Perkins Basic Grant, Career Education	90,133	22,338	-	112,471
ARPA-D Preschool Start-up Grant	50,000	-	-	50,000
IDEA Entitlement Funds, Part B IDEA	763	649,263	-	650,026
Early Childhood Special Education - Federal	-	99,496	-	99,496
National School Lunch Program	485,916	-	-	485,916
School Breakfast Program	118,906	-	-	118,906
Title I - ESEA	1,873	412,317	-	414,190
Title IV.A Student Support and Academic Enrichment	8,641	39,976	-	48,617
Title III, ESEA - English Language Acquisition	1,961	-	-	1,961
Title II, Part A&B, ESEA - Teacher & Principal Tra	88,474	33,860	-	122,334
Dept of Health Food Service Program	201,062	-	-	201,062
Other - Federal	14,991	-	-	14,991
Total Federal	\$ 1,347,117	\$ 1,260,250	\$ -	\$ 2,607,367
<u>OTHER:</u>				
Sale of Other Property	\$ 7,724	\$ -	\$ -	\$ 7,724
Tuition From Other LEAs - Regular Term	-	40,837	-	40,837
Area Voc Fees From Other LEAs	-	205,520	-	205,520
Total Other	\$ 7,724	\$ 246,357	\$ -	\$ 254,081
TOTAL RECEIPTS COLLECTED	\$ 16,737,474	\$ 9,640,483	\$ 3,935,326	\$ 30,313,283

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

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

Schedule 7

SCHEDULE OF DISBURSEMENTS BY OBJECT – SCHOOL DISTRICT FUNDS

For the Year Ended June 30, 2025

	General (Incidental) Fund	Special Revenue (Teachers') Fund	Capital Projects Fund	Totals
Salaries	\$ 4,438,477	\$ 11,647,872	\$ -	\$ 16,086,349
Employee Benefits	1,496,360	3,462,514	-	4,958,874
Purchased Services	1,930,665	53,612	-	1,984,277
Supplies	2,379,999	-	-	2,379,999
Capital Outlay	-	-	801,610	801,610
Debt Service	-	-	2,017,483	2,017,483
TOTAL	<u>\$ 10,245,501</u>	<u>\$ 15,163,998</u>	<u>\$ 2,819,093</u>	<u>\$ 28,228,592</u>

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

STATE



Independent Accountant's Report on Management's
Assertions About Compliance with Specified
Requirements of Missouri Laws and Regulations

Board of Education
Perry County School District No. 32
Perryville, Missouri

We have examined management of Perry County School District No. 32's assertion that Perry County School District No. 32 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 2024 and the number of students eligible to receive free or reduced price lunches on the last Wednesday of January 2025; and accurate disclosure by the District's pupil transportation records of the average students scheduled to be transported on a regular basis both 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, 2025. Perry County School District No. 32's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertions based on our examination.

Our examination was made in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management'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 engagement.

In our opinion, management's assertions that Perry County School District No. 32 complied with the aforementioned requirements for the year ended June 30, 2025 are fairly stated in all material respects.

This report is intended solely for the information and use of the administration, management, Board of Education, 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.

VAN DE VEN, LLC
CPAs + Business Consultants

Van de Ven CPAs

Cape Girardeau, Missouri
December 5, 2025

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

SCHEDULE OF SELECTED STATISTICS

For the Year Ended June 30, 2025

1. Calendar (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
079-077	PK	PK	A	3.25	153	497.25
079-077	PK	PK	P	3.25	153	494.25
079-077	K	02		6.7	154	1023.90
079-077	03	05		6.7	152	1010.50
079-077	06	08		6.7	150	997.10
079-077	09	12		6.7	147	977.00

2. Attendance Hours

School Code	Grade Level	Full-Time Hours	Part-Time Hours	Remedial Hours	Other Hours	Summer School Hours	Total Hours
079-077	PK - A	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
079-077	PK – P	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
079-077	K	131,468.4832	642.1333	458.2500	14.5000	10,794.8166	143,378.1831
079-077	1	118,449.6994	1,324.7666	321.2500	0.0000	6,024.4500	126,120.1660
079-077	2	130,443.1993	1,239.9167	618.5000	0.0000	6,204.7333	138,506.3493
079-077	3	139,521.0820	3,075.9833	708.5000	2.5000	6,145.5665	149,453.6318
079-077	4	138,787.8155	936.4667	435.7500	2.0000	5,031.6334	145,193.6656
079-077	5	125,286.8665	549.3000	129.2500	0.0000	4,215.1168	130,180.5333
079-077	6	133,985.7533	803.8000	294.2500	0.0000	2,060.4168	137,144.2201
079-077	7	133,006.7501	0.0000	273.0000	0.0000	2,742.8833	136,022.6334
079-077	8	141,329.1884	1,087.3334	306.5000	3.0000	1,290.7999	144,016.8217
079-077	9	131,467.9665	2,517.7874	102.5000	0.0000	999.4667	135,087.7206
079-077	10	139,452.6309	2,028.4149	55.2500	0.0000	877.3333	142,413.6291
079-077	11	145,896.8937	6,985.8253	42.0000	0.0000	581.3667	153,506.0857
079-077	12	101,705.8410	58,753.4389	130.4000	0.0000	96.9667	160,686.6466
Grand Total		1,710,802.1698	79,945.1665	3,875.4000	22.0000	47,065.5500	1,841,710.2863

Notes: _____

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

Schedule 8

SCHEDULE OF SELECTED STATISTICS

For the Year Ended June 30, 2025

3. September Membership

School Code	Grade Level	Full-Time	Part-Time	Other	Total
079-077	PK	27.00	0.00	0.00	27.00
079-077	K	140.00	0.02	0.00	140.02
079-077	1	123.00	1.17	0.00	124.17
079-077	2	134.00	0.15	0.00	134.15
079-077	3	143.00	4.80	0.00	147.80
079-077	4	145.00	1.65	0.00	146.65
079-077	5	130.00	0.00	0.00	130.00
079-077	6	143.00	0.02	0.00	143.02
079-077	7	141.00	0.00	0.00	141.00
079-077	8	149.00	1.69	0.00	150.69
079-077	9	151.00	1.92	0.00	152.92
079-077	10	167.00	0.85	0.00	167.85
079-077	11	172.00	8.45	0.00	180.45
079-077	12	128.00	62.33	0.00	190.33
Grand Total		1,893.00	83.05	0.00	1976.05

Notes: _____

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

SCHEDULE OF SELECTED STATISTICS

For the Year Ended June 30, 2025

4. January Membership

School Code	Grade Level	Full-Time	Part-Time	Other	Total
079-077	PK	34.00	0.00	0.00	34.00
079-077	K	136.00	0.57	0.00	136.57
079-077	1	120.00	1.17	0.00	121.17
079-077	2	136.00	0.63	0.00	136.63
079-077	3	145.00	3.15	0.00	148.15
079-077	4	145.00	0.75	0.00	145.75
079-077	5	132.00	0.55	0.00	132.55
079-077	6	142.00	1.06	0.00	143.06
079-077	7	142.00	0.00	0.00	142.00
079-077	8	152.00	1.18	0.00	153.18
079-077	9	144.00	3.46	0.00	147.46
079-077	10	155.00	2.11	0.00	157.11
079-077	11	163.00	7.64	0.00	170.64
079-077	12	118.00	54.98	0.00	172.98
Grand Total		1,864.00	77.25	0.00	1,938.68

Notes: _____

5. Free and Reduced Priced Lunch FTE Count (Section 163.011(6), RSMo)

School Code	Free Lunch	Reduced Lunch	Deseg In Free	Deseg In Reduced	Total
079-077	764.86	156.80	0.00	0.00	921.66
Grand Total	764.86	156.80	0.00	0.00	921.66

Notes: _____

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

Schedule 8

SCHEDULE OF SELECTED STATISTICS

For the Year Ended June 30, 2025

6. Finance

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	True
	Career Exploration Program – Off Campus	True
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	True
	Dual enrollment	True
	Homebound instruction	True
	Missouri Options	N/A
	Prekindergarten eligible to be claimed for state aid	N/A
	Remediation	True
	Sheltered Workshop participation	True
	Students participating in the school flex program	True
	Traditional instruction (full and part-time students)	True
	Virtual instruction (MOCAP or other option)	N/A
	Work Experience for Students with Disabilities	True
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:	\$25,000
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

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

SCHEDULE OF SELECTED STATISTICS

For the Year Ended June 30, 2025

6. Finance (continued)

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.)	N/A
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:	\$45,161
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

Notes: _____

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

Schedule 8

SCHEDULE OF SELECTED STATISTICS

For the Year Ended June 30, 2025

7. Transportation (Section 163.161, RSMo)

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:	
	Eligible ADT	1051.5
	Ineligible ADT	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:	233,845
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	187,993
	Ineligible Miles (Non-Route/Disapproved)	45,852
6.7	Number of days the district/charter school operated the school transportation system during the regular school year:	166

Notes: _____

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

Schedule 9

SCHEDULE OF TRANSPORTATION COSTS ELIGIBLE FOR STATE AID

For the Year Ended June 30, 2025

	District Operated Non-Disabled Student Trans Cost	Contracted Transportation Services for Students	Early Childhood Special Education Trans. Serv.	District Operated K-12 Disabled Trans. Services	School Choice (ESEA)/Prop Share (IDEA) Trans Cost	Non-Allowable Transportation Expenditure	Total
Certificated Salaries	\$ 47,409	\$ -	\$ -	\$ 14,292	\$ -	\$ -	\$ 61,701
Non-Certificated Salaries	408,157	-	13,233	50,409	297	-	472,096
Employee Benefits	102,293	-	1,716	20,607	278	-	124,894
Purchased Services	131,997	381	2,800	20,511	-	1,273	156,962
Supplies	64,088	-	3,520	29,272	188	1,119	98,187
Capital Outlay	298,794	-	-	-	-	-	298,794
 TOTAL EXPENDITURES	 \$ 1,052,738	 \$ 381	 \$ 21,269	 \$ 135,091	 \$ 763	 \$ 2,392	 \$ 1,212,634
Less: Non-Eligible Transportation Expenditures	-	-	-	-	-	(2,392)	(2,392)
TOTAL ELIGIBLE EXPENDITURES	<u>\$ 1,052,738</u>	<u>\$ 381</u>	<u>\$ 21,269</u>	<u>\$ 135,091</u>	<u>\$ 763</u>	<u>\$ -</u>	<u>\$ 1,210,242</u>

Notes: _____

FEDERAL



Independent Auditor's Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
Perry County School District No. 32
Perryville, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund, of the Perry County School District No. 32, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Perry County School District No. 32's basic financial statements and have issued our report thereon dated December 5, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Perry County School District No. 32'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 Perry County School District No. 32's internal control. Accordingly, we do not express an opinion on the effectiveness of the Perry County School District No. 32's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that 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 certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs 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 Perry County School District No. 32's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. 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*.

Perry County School District No. 32's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Perry County School District No. 32's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Perry County School District No. 32's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

VAN DE VEN, LLC
CPAs + Business Consultants

Van de Ven CPAs

Cape Girardeau, Missouri
December 5, 2025



**Independent Auditor's Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by the Uniform Guidance**

To the Board of Directors
Perry County School District No. 32
Perryville, Missouri

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Perry County School District No. 32's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Perry County School District No. 32's major federal programs for the year ended June 30, 2025. Perry County School District No. 32's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Perry County School District No. 32 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the Perry County School District No. 32 and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Perry County School District No. 32's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Perry County School District No. 32's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Perry County School District No. 32's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Perry County School District No. 32's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Perry County School District No. 32's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Perry County School District No. 32's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Perry County School District No. 32's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

VAN DE VEN, LLC
CPAs + Business Consultants

Van de Ven CPAs

Cape Girardeau, Missouri
December 5, 2025

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2025

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Name of Grant - Grant ID No.</i>	<i>Federal Expenditures(\$)</i>
477 Cluster-Cluster				
Department of Health and Human Services				
Child Care and Development Block Grant(477 Cluster)				
Child Care and Development Block Grant(477 Cluster)	93.575	Missouri Department of Elementary and Secondary Education, 2101MOCDC6	Early Childhood Professions Grant	\$ 20,955
Total Child Care and Development Block Grant(477 Cluster)				\$ 20,955
Total Department of Health and Human Services				\$ 20,955
Total 477 Cluster-Cluster				\$ 20,955
Child Nutrition Cluster-Cluster				
United States Department of Agriculture				
School Breakfast Program				
School Breakfast Program	10.553	Missouri Dept of Elementary and Secondary Education, 20242N109943, 20252N109943	Food & Nutrition Services Breakfast Payment	\$ 118,906
Total School Breakfast Program				\$ 118,906
Food & Nutrition Services Lunch Payment				
Food & Nutrition Services Lunch Payment	10.555	MO Dept of Elementary and Secondary Education, 20242N109943, 20252N109943	Food & Nutrition Services Lunch Payment	\$ 485,916
Food & Nutrition Services Lunch Payment	10.555	MO Dept of Elementary and Secondary Education	Food Distribution	102,222
Total Food & Nutrition Services Lunch Payment				\$ 588,138
Total United States Department of Agriculture				\$ 707,044
Total Child Nutrition Cluster-Cluster				\$ 707,044
Special Education Cluster (IDEA)-Cluster				
Department of Education				
Special Education Grants to States				
Special Education Grants to States	84.027	Missouri Department of Elementary and Secondary Education, H027A220040, H027A230040, H027A240040	Special Ed Part B Entitlement	\$ 649,789
Special Education Grants to States	84.027	MO Department of Elementary and Secondary Education, H027A230040, H027A240040	ECSE 611	75,913
Total Special Education Grants to States				\$ 725,702
Special Education - Preschool Grants (IDEA Preschool)				
Special Education - Preschool Grants (IDEA Preschool)	84.173	MO Dept of Elementary and Secondary Education, H173A230103, H173A230103	ECSE-Federal (619)	\$ 23,583
Total Special Education - Preschool Grants (IDEA Preschool)				\$ 23,583
Total Department of Education				\$ 749,285
Total Special Education Cluster (IDEA)-Cluster				\$ 749,285

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

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

Schedule 10

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2025

Other Programs

Department of Education

Title I Grants to Local Educational Agencies

		Missouri Department of Elementary and Secondary Education, S010A230025	Title I	\$	414,641
Title I Grants to Local Educational Agencies	84.010			\$	414,641
Total Title I Grants to Local Educational Agencies				\$	414,641
Career and Technical Education -- Basic Grants to States					

		MO Dept of Elementary and Secondary Education, V048A230025, V048A240025	Perkins Basic	\$	112,471
Career and Technical Education -- Basic Grants to States	84.048			\$	112,471
Total Career and Technical Education -- Basic Grants to States				\$	112,471
English Language Acquisition State Grants					

		MO Dept of Elementary and Secondary Education, S367A230025	Title III	\$	3,252
English Language Acquisition State Grants	84.365			\$	3,252
Total English Language Acquisition State Grants				\$	3,252
Improving Teacher Quality State Grants					

		MO Department of Elementary and Secondary Education, S367A230024, S367A240024	Title II.A	\$	161,043
Improving Teacher Quality State Grants	84.367			\$	161,043
Total Improving Teacher Quality State Grants				\$	161,043
Education Stabilization Fund Under The Coronavirus Aid, Relief, And Economic Security Act					

		Missouri Department of Elementary and Secondary Education, S425U210021	EMS Completion Certificate	\$	3,000
Education Stabilization Fund Under The Coronavirus Aid, Relief, And Economic Security Act	84.425				

		Missouri Department of Elementary and Secondary Education, S425U210021	Evidence Based Reading		17,196
Education Stabilization Fund Under The Coronavirus Aid, Relief, And Economic Security Act	84.425				
Total Education Stabilization Fund Under The Coronavirus Aid, Relief, And Economic Security Act				\$	20,196

Total Department of Education

Total Other Programs

Total Expenditures of Federal Awards

\$	711,602
\$	711,602
\$	2,188,886

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

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2025

NOTE A – BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Perry County School District No. 32 under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirement of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principle, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of the operations of Perry County School District No. 32, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Perry County School District No. 32.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained the Uniform Guidance where certain type of expenditures are not allowable or are limited as reimbursement.

NOTE C – INDIRECT COST RATE:

Perry County School District No. 32 has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

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

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, MissouriSCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2025

A. Summary of Auditor's Results**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness identified? ☐ Yes ☒ NoSignificant deficiency identified that is not considered to
be material weakness? ☒ Yes ☐ None ReportedNoncompliance material to financial statements noted? ☐ Yes ☒ No**Federal Awards**

Internal control over major programs:

Material weakness identified? ☐ Yes ☒ NoSignificant deficiency identified that is not considered to
be material weakness? ☐ Yes ☒ None Reported

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

Any audit findings disclosed that are required to be reported
in accordance with Section 510(a) of Circular A-133? ☒ Yes ☐ No

Identification of major programs: None in School Year 2024-2025

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? ☒ Yes ☐ NoThe accompanying notes to the financial statements
are an integral part of this statement.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2025

B. Financial Statement Finding:

Significant Deficiency
2025-001 Segregation of Duties.

Condition: The District does not have enough employees to allow adequate segregation of duties.

Criteria: The District is very small and it is not feasible to employ the additional employees necessary to allow adequate segregation of duties.

Effect: Because of the small number of employees, the same employee is often responsible for all aspects of a transaction.

Recommendation: The District should monitor any transactions and the general ledger for any unusual activity to minimize the lack of sufficient segregation of duties.

C. Federal Award Findings and Questioned Costs:

There were no audit findings or questioned costs related to federal awards for the year ended June 30, 2025.

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

PERRY COUNTY SCHOOL DISTRICT NO. 32
Perryville, Missouri

Schedule 13

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2025

2024-001 The significant deficiency relating to the lack of segregation of duties is also a current year significant deficiency.

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



Perry County School District No. 32

326 College Street
Perryville Missouri 63775-2699
(573) 547-7500 Fax (573) 547-2160

Dr. Fara Jones, Superintendent
Mr. Craig Hayden, Assistant Superintendent

December 5, 2025

Financial Statement Finding:

Significant Deficiency
2025-001 Segregation of Duties.

Condition: The District does not have enough employees to allow adequate segregation of duties.

Criteria: The District is very small and it is not feasible to employ the additional employees necessary to allow adequate segregation of duties.

Effect: Because of the small number of employees, the same employee is often responsible for all aspects of a transaction.

Recommendation: The District should monitor any transactions and the general ledger for any unusual activity to minimize the lack of sufficient segregation of duties.

Corrective Action Plan

Action Taken: We have reviewed the size, budget constraints limiting the number of personnel within the accounting department, and are unable to expand our personnel at this time. We continue to utilize other internal controls, such as administrative oversight, to minimize the lack of sufficient segregation of duties. Additionally, we will reevaluate our system on a periodic basis.

If questions exist regarding this plan, please contact Dr. Fara Jones at (573) 547-7500.

Dr. Fara Jones
Superintendent of Schools

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APPENDIX C

DEFINITIONS OF WORDS AND TERMS AND SUMMARIES OF DOCUMENTS

Definitions of Words and Terms

In addition to the words and terms defined elsewhere in the Official Statement, the following words and terms used in the Official Statement shall have the following meanings:

“Act” means Section 177.088 of the Revised Statutes of Missouri, as amended.

“Additional Certificates” means any additional parity Certificates delivered pursuant to the Indenture.

“Additional Payments” means the additional payments described in the Lease.

“Authorized District Representative” means the President or the Vice President of the Board of Education, the Superintendent, or such other person at the time designated to act on behalf of the District as evidenced by a written certificate furnished to the Trustee containing the signature of such persons and signed on behalf of the District by the President or the Vice President of the Board of Education.

“Base Lease” means the Base Lease dated as of October 1, 2026, between the District and the Trustee, as from time to time amended and supplemented in accordance with the provisions thereof and of the Indenture.

“Business Day” means any day other than (a) a Saturday or Sunday or legal holiday or a day on which banks located in the city in which the corporate trust office of the Trustee are required or authorized by law to remain closed or (b) a day on which the Securities Depository is closed.

“Capital Appreciation Certificates” means the Series 2026 Certificates which provide for interest to be compounded semiannually on April 15 and October 15 and to be payable only at maturity or upon prior prepayment.

“Cede & Co.” means Cede & Co., as nominee name of The Depository Trust Company, New York, New York, and any successor nominee of the Securities Depository with respect to the Certificates.

“Certificate Fund” means the “Certificate Fund” created in the Indenture.

“Certificate Payment Date” means any date on which any amount representing the Principal Component or the Interest Component with respect to any Certificates is payable.

“Certificate Register” means the registration books kept by the Trustee to evidence the registration, transfer and exchange of Certificates.

“Certificate Registrar” means the Trustee when acting as such under the Indenture.

“Certificates” means the Series 2026 Certificates issued under the Indenture and any Additional Certificates delivered pursuant to the Indenture.

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

“Completion Certificate” means the certificate delivered to the Trustee pursuant to the Lease and the Indenture evidencing substantial completion of the Project, and acceptance of the Project by the District.

“Completion Date” means the date of completion of the acquisition, construction, improvement, furnishing and equipping of the Project established as such pursuant to the Lease.

“Compound Amount” means, with respect to any Capital Appreciation Certificate, as of any particular date of calculation, the original principal amount thereof, plus all interest accrued and compounded to the particular date of calculation, calculated as follows:

- (i) if the date of calculation is on April 15 or October 15, the Compound Amount of each \$5,000 Maturity Amount of Capital Appreciation Certificates shall be the amount shown on the Table of Compound Amounts of Capital Appreciation Certificates as attached to the Indenture for the applicable maturity date; and
- (ii) if the date of calculation is a date other than April 15 or October 15, the Compound Amount of a Capital Appreciation Certificate shall be:

$$CAV_1 + [(CAV_2 - CAV_1) \times D/180]$$

where:

CAV_1 = the Compound Amount of such Capital Appreciation Certificate as of the April 15 or October 15 next preceding the date of calculation, as shown on the Table of Compound Amounts of Capital Appreciation Certificates as attached to the Indenture

CAV_2 = the Compound Amount of such Capital Appreciation Certificate as of the April 15 or October 15 next succeeding the date of calculation, as shown on the Table of Compound Amounts of Capital Appreciation Certificates as attached to the Indenture

D = the number of days from the April 15 or October 15 next preceding the date of calculation, to the date of calculation, using a 360-day year of twelve 30-day months.

“Compounding Date” means April 15 and October 15 of each year, commencing April 15, 2027*, being the dates on which the Interest Component with respect to the Capital Appreciation Certificates is compounded. A Compounding Date is not a Certificate Payment Date unless an amount representing the Principal Component or the Interest Component is also payable on such date.

“Construction Contracts” means all architect’s and general contractor’s contracts and all prime subcontractor’s contracts and purchase orders for any equipment which have been or will be entered into by the District and which will incorporate the Plans and Specifications related to the Project.

“Construction Period” means the period from the beginning of construction of the Project to the Completion Date.

“Continuing Disclosure Undertaking” means the Continuing Disclosure Undertaking of the District dated as of the Dated Date.

* Preliminary; subject to change.

“Contractor” means any contractor for the Project selected by the District, and its successors and assigns.

“Counsel” means an attorney duly admitted to practice law before the highest court of any state and, without limitation, may include legal counsel for the District or the Trustee.

“Current Interest Certificates” means the Series 2026 Certificates which provide for the payment of interest semiannually on April 15 and October 15 in each year.

“Dated Date” means _____, 2026.

“Defaulted Interest” means interest on any Certificate which is payable but not paid on the date due.

“Defeasance Obligations” means any of the following obligations:

- (a) Cash.
- (b) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series – “SLGS”).
- (c) Direct obligations of the Treasury which have been stripped by the Treasury itself.
- (d) The interest component of Resolution Funding Corporation (REFCORP) strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form.
- (e) Pre-refunded municipal bonds pre-refunded with cash or United States Government Obligations.

“District” means Perry County School District No. 32, a school district and political subdivision organized and existing under the laws of the State, and its successors and assigns.

“Event of Default” means (a) with respect to the Indenture, an Event of Default as described under the caption **“SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE–Events of Default,”** and (b) with respect to the Lease, an Event of Default as described under the caption **“SUMMARY OF CERTAIN PROVISIONS OF THE LEASE–Events of Default.”**

“Event of Nonappropriation” means a nonrenewal of the Lease by the District determined by the failure of the District to appropriate and budget, or the election of the District not to so appropriate and budget, on or before the date required by the laws of the State during the Initial Term or any Renewal Term, moneys sufficient to pay the Rental Payments and reasonably expected Additional Payments due and payable during the next Renewal Term.

“Facilities” means the Project Site and all additions, modifications, improvements, replacements and substitutions made thereon and thereto, and any additional facilities financed with Additional Certificates on the Project Site made pursuant to the Lease, as they may at any time exist.

“Fiscal Year” means the fiscal year adopted by the District for accounting purposes, which as of the execution of the Indenture commences on July 1 of each year and ends on June 30 of the following year.

“Full Insurable Value” means the actual replacement cost of the Facilities less physical depreciation and exclusive of land, excavations, footings, foundations and parking lots, but in no event shall such value be less than the aggregate stated principal amount of the Certificates at the date of calculation then Outstanding.

“Indenture” means the Trust Indenture dated as of October 1, 2026, between the District and the Trustee, as amended and supplemented from time to time by Supplemental Indentures in accordance with the provisions of the Indenture.

“Initial Term” means the initial term of the Lease, which begins on the effective date of the Lease and ends on the last day of the Fiscal Year in which such effective date occurs.

“Interest Component” means the Interest Component of Rental Payments as provided by the Lease.

“Lease” means the Lease Agreement dated as of October 1, 2026, between the Trustee, as lessor, and the District, as lessee, as from time to time amended and supplemented in accordance with the provisions thereof and of the Indenture.

“Lease Term” means the period from the effective date of the Lease until the expiration thereof which includes the Initial Term and any Renewal Term or Terms as provided in the Lease.

“Lessee” means the District when acting as the lessee under the Lease.

“Lessor” means the Trustee when acting as the lessor under the Lease.

“Mandatory Prepayment Date” means any mandatory prepayment date established pursuant to the Indenture.

“Maturity Amount” means with respect to any Capital Appreciation Certificate, the Compound Amount thereof at maturity. The term “Maturity Amount” is used only in reference to Capital Appreciation Certificates.

“Maximum Lease Term” means the Initial Term and all Renewal Terms through the Renewal Term ending June 30, 20__ (unless otherwise provided in a Supplemental Lease).

“Moody’s” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the District by notice to the Trustee.

“Net Proceeds” means the gross proceeds from any insurance or condemnation award with respect to the Facilities, less the payment of all expenses (including attorneys’ fees and expenses, Trustee’s fees, costs, charges and expenses, including any extraordinary expenses of the Trustee) incurred in the collection of such gross proceeds.

“Opinion of Counsel” means a written opinion of counsel to the District or the Trustee.

“Option Purchase Price” means the price as specified in the Lease which the District may elect to pay to the Trustee to purchase the Facilities from the Trustee on the Optional Prepayment Date immediately following such Optional Purchase Date prior to the scheduled payment of all sums to be paid for the Facilities, all as is more particularly specified in the Lease and as may be revised in accordance with the Indenture in connection with the partial prepayment of Certificates. In the event of a partial prepayment of the Certificates as provided in the Indenture, the Option Purchase Price is required to be recalculated by the Trustee and provided to and binding upon the District as more fully set forth in the Indenture and the Lease.

“Optional Prepayment Date” means any optional prepayment date established pursuant to the Indenture.

“Optional Purchase Date” means any date during the Lease Term as specified in the Lease upon which the District may elect to purchase the Facilities for the then applicable Option Purchase Price.

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

- (a) Certificates theretofore canceled by the Trustee or delivered to the Trustee for cancellation;
- (b) Certificates paid or deemed to be paid in accordance with the provisions of the Indenture;
- (c) Certificates alleged to have been mutilated, destroyed, lost or stolen which have been paid as provided in the Indenture;
- (d) Certificates in exchange for or in lieu of which other Certificates have been authenticated and delivered pursuant to the Indenture; and
- (e) for purposes of any consent or other action to be taken by the Registered Owners of a specified percentage of Certificates under the Indenture or the Lease, Certificates held by or for the account of the District or any person controlling, controlled by or under common control with the District.

“Participants” means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

“Paying Agent” means the Trustee and any other bank or trust company designated pursuant to the Indenture as paying agent for any series of Certificates and at which the principal, premium, if any, and interest on any such Certificates shall be payable.

“Permitted Encumbrances” means, as of any particular time (a) liens for ad valorem taxes and special assessments not then delinquent or if delinquent are being contested in accordance with the Lease, (b) the Indenture, (c) the Lease, (d) the Base Lease, (e) any and all Uniform Commercial Code Financing Statements executed to perfect any security interest created in connection with the delivery of the Certificates, (f) utility, access and other easements and rights-of-way, street dedications, mineral rights, restrictions, exceptions and encumbrances that the District certifies in writing will not materially interfere with or impair the operations being conducted on the Project Site or easements granted to the Trustee, (g) such minor defects, irregularities, encumbrances, easements, mechanic’s liens, rights-of-way and clouds on title as normally exist with respect to properties similar in character to the Facilities and as do not in the aggregate materially impair the property affected thereby for the purpose for which it was acquired or is held by the Trustee or the District, (h) easements, restrictions and declarations of record existing as of the date of delivery of the Series 2026 Certificates, and (i) items affecting the Project Site that are agreed to in writing by the Trustee (in reliance upon the written direction of the Registered Owners of not less than a majority in aggregate Principal Components of the Certificates Outstanding) and the District.

“Permitted Investments” means any of the following securities and obligations, if and to the extent the same are at the time legal for investment by the District:

- (a) United States Government Obligations.

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

“Person” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof.

“Plans and Specifications” means the plans and specifications prepared for and showing the Project, as amended by the District from time to time prior to the Completion Date, the same being duly certified by the Authorized District Representative, which plans and specifications are on file at the principal office of the District and shall be available for reasonable inspection by the Trustee and its duly appointed representatives.

“Prime Rate” means that rate of interest which has most recently been established by UMB Bank, N.A., at its designated office in St. Louis, Missouri, as its prime rate, such Prime Rate to be adjusted on the effective date of any change thereof as announced from time to time by UMB Bank, N.A..

“Principal Component” means the Principal Component of Rental Payments as provided for by the Lease.

“Project” means the acquisition, construction, improvement, furnishing and equipping of the Facilities located on the Project Site and at other facilities located on other real property not comprising part of the Project Site as described in the Indenture or any Supplemental Indenture, pursuant to the Lease, paid for in whole or in part from the proceeds of Certificates, and all replacements thereof and substitutions therefor made pursuant to the Lease, and all additions, alterations, modifications and improvements thereof made pursuant to the Lease, including, upon the issuance of Additional Certificates, Project Additions financed with Additional Certificates.

“Project Additions” means all additions, improvements, extensions, alterations, expansions or modifications of the Facilities or any part thereof financed with the proceeds of Additional Certificates delivered pursuant to the Indenture.

“Project Costs” means all costs of acquisition, construction, improvement, furnishing and equipping of the Project, including the following:

- (a) fees and expenses of architects, appraisers, surveyors and engineers for estimates, surveys, soil borings and soil tests and other preliminary investigations and items necessary to the commencement of construction, preparation of plans, drawings and specifications and supervision of construction, as well as for the performance of all other duties of architects, appraisers, surveyors and engineers in relation to the construction of the Project or the delivery of the Certificates;
- (b) all costs and expenses of every nature incurred with respect to the Project, including the actual cost of labor and materials, as payable to contractors, builders, suppliers, vendors and materialmen in connection with the acquisition, construction, improvement, furnishing and equipping of the Project;
- (c) the cost of insurance policies referred to in the Lease and any insurance or performance and payment bonds maintained during the Construction Period in accordance with the Lease;

(d) expenses of administration, supervision and inspection properly chargeable to the Project, underwriting expenses, legal fees and expenses, fees and expenses of accountants and other consultants, publication and printing expenses, and initial fees and expenses of the Trustee and the Paying Agent to the extent that said fees and expenses are necessary or incident to the delivery and sale of the Certificates or the acquisition, construction, improvement, furnishing and equipping of the Project;

(e) all other items of expense not elsewhere specified in this definition as may be necessary or incident to: (i) the authorization, delivery and sale of the Certificates; (ii) the acquisition, construction, improvement, furnishing and equipping of the Project; (iii) the financing thereof (including capitalized interest, if any); and (iv) the refinancing of the Project through the issuance of a series of refunding Certificates; and

(f) reimbursement to the District or those acting for it for any of the above enumerated costs and expenses incurred and paid by them before or after the execution of the Lease as permitted by the Code.

“Project Fund” means the “Project Fund” created in the Indenture.

“Project Site” means the real estate described in the Indenture.

“Purchaser” means Raymond James & Associates, Inc., Leawood, Kansas, the original purchaser of the Series 2026 Certificates, or, with respect to any series of Additional Certificates, the original purchaser of such series of Additional Certificates.

“Rebate Fund” means the “Rebate Fund” created in the Indenture.

“Record Date” means the 15th day (whether or not a Business Day) of the calendar month next preceding the month in which each Certificate Payment Date occurs.

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

“Renewal Term” means the optional renewal terms of the Lease, each being a duration of one year and a term co-extensive with the District’s Fiscal Year.

“Rental Payment Date” means during the Lease Term, any day on or prior to each Certificate Payment Date, and any other date on which any Rental Payments are payable pursuant to the Lease.

“Rental Payments” means the payments described in the Lease.

“Replacement Certificates” means Certificates delivered to the beneficial owners of the Certificates in accordance with the Indenture.

“S&P” or “Standard & Poor’s” means S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC, wholly owned by S&P Global Inc., its successors and assigns, and if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee.

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

“Series 2026 Certificates” means the \$33,433,013.00* aggregate principal amount Certificates of Participation, Series 2026, evidencing a proportionate interest of the Owners thereof in Rental Payments to be made by the District pursuant to the Lease, executed and delivered pursuant to the Indenture, consisting of Current Interest Certificates and Capital Appreciation Certificates.

“Special Counsel” means Gilmore & Bell, P.C., or any other attorney or firm of attorneys (which is mutually acceptable to the District and the Trustee) of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on obligations issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America.

“Special Record Date” means the date fixed by the Trustee pursuant to the Indenture for the payment of Defaulted Interest.

“State” means the State of Missouri.

“Supplemental Indenture” means any indenture supplemental or amendatory to the Indenture entered into by the Trustee and the District pursuant to the Indenture.

“Supplemental Lease” means any agreement supplemental or amendatory to the Lease entered into by the District and the Trustee pursuant to the Indenture.

“Tax Compliance Agreement” means any Tax Compliance Agreement between the District and the Trustee, entered into in connection with the issuance of each series of Certificates for which the interest component of Rental Payments paid by the District and distributed to the registered owners of the Certificates is excluded from gross income for federal income tax purposes, as from time to time amended in accordance with the provisions thereof.

“Trust Estate” means the Trust Estate described in the Granting Clauses of the Indenture and in the Granting Clauses of any Supplemental Indenture.

“Trustee” means UMB Bank, N.A., St. Louis, Missouri, in its capacity as trustee under the Indenture, and its successor or successors and any other corporation which at the time may be substituted in its place pursuant to and at the time serving as Trustee under the Indenture.

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

* Preliminary; subject to change.

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

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

Trust Estate

In order to secure the payment of the Principal Component, premium, if any, and Interest Component of the Rental Payments represented by the Certificates Outstanding under the Indenture from time to time according to their tenor and effect, and to secure the performance and observance by the District of all the covenants, agreements and conditions in the Indenture, the Base Lease and the Lease, the District transfers in trust, pledges, assigns and grants a security interest to the Trustee and its successors and assigns forever in, the property described below (said property being called the “**Trust Estate**”):

(a) all right, title and interest of the District in, to and under the Base Lease and the Lease, including all Rental Payments and other payments, revenues and receipts derived by the Trustee under and pursuant to and subject to the provisions of the Lease (except for the rights of the Trustee to receive money for its own account and to indemnify under the Lease and any amounts required under Section 148(f) of the Code to be paid to the United States); and

(b) all money and securities (except moneys and securities held in the Rebate Fund) from time to time held by the Trustee under the terms of the Indenture, and any and all other real or personal property of every kind and nature from time to time, by delivery or by writing of any kind, pledged, assigned or transferred as and for additional security under the Indenture by or on behalf of the District, or with its written consent, to the Trustee, which is authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms of the Indenture.

Additional Certificates

Additional Certificates may be delivered under and be equally and ratably secured by the Indenture on a parity with the Series 2026 Certificates and any other Additional Certificates Outstanding, at any time and from time to time, upon compliance with the provisions of the Indenture, for any of the following purposes:

(1) To provide funds to pay the costs of completing the Project, the total of such costs to be evidenced by a certificate signed by an Authorized District Representative;

(2) To provide funds to pay all or any part of the costs of repairing, replacing or restoring the Project in the event of damage, destruction or condemnation thereto or thereof, but only to the extent that such costs exceed the Net Proceeds of the insurance or condemnation awards out of which such costs are to be paid pursuant to the Lease;

(3) To provide funds to pay all or any part of the costs of acquisition, construction, renovation, furnishing and equipping of Project Additions or other facilities, all as the District may deem necessary or desirable;

(4) To provide funds for refunding all or any portion of the Certificates of any series then Outstanding, including the payment of any premium thereon and interest to accrue to the designated prepayment date and any expenses in connection with such refunding; or

(5) Any other purpose permitted under the Act, all as provided in the Act.

The principal amount of any Additional Certificates may include an amount sufficient to pay the costs and expenses of delivery, a funding of a reserve account, if required, and such capitalized amounts as are permitted by the Act.

Creation of Funds

The following special trust funds are created and ordered to be established under the Indenture in the custody of the Trustee in the name of the District, to be designated as follows:

- (a) Certificate Fund.
- (b) Project Fund.
- (c) Rebate Fund.

Within each Fund created under the Indenture, a separate account shall be created for each series of Certificates. The Trustee is authorized to segregate moneys within such accounts, as instructed by the District, as necessary, on a book-entry basis or in such other manner as the Trustee may deem necessary or convenient.

Allocation of Certificate Proceeds

The net proceeds received from the sale of the Series 2026 Certificates are required to be deposited or applied simultaneously with the delivery of the Series 2026 Certificates in the Project Fund and disbursed to pay Project Costs, including costs of issuance of the Series 2026 Certificates, as provided in the Indenture.

Deposits into the Project Fund

The following moneys shall be paid over to and deposited by the Trustee in the applicable subaccount of the Project Fund, as and when received:

- (a) The proceeds from the sale of the Certificates, to the extent required by the Indenture;
- (b) The proceeds from the sale of Additional Certificates (except Additional Certificates delivered to refund Outstanding Certificates), to the extent provided in the Supplemental Indenture authorizing such Additional Certificates;
- (c) The Net Proceeds of casualty insurance, title insurance or condemnation awards required to be deposited into the Project Fund pursuant to the Lease;
- (d) All payment and performance and labor and material bond payments and any and all payments from any contractors or other suppliers by way of breach of contract, refunds or adjustments required to be deposited into the Project Fund pursuant to the Lease; and
- (e) Except as otherwise provided in the Indenture or in the Lease, any other moneys received by or to be paid to the Trustee from any other source for the acquisition, construction, improvement, furnishing and equipping of the Project, to the extent directed in writing by the Authorized District Representative to be deposited into the Project Fund.

Disbursements from the Project Fund

So long as no Event of Default or Event of Nonappropriation has occurred and is continuing, the moneys in the Project Fund shall be disbursed by the Trustee for the payment or reimbursement of Project Costs upon

receipt of requisition certificates in substantially the form attached to the Lease, completed and accompanied by appropriate documentation, if required, and signed by an Authorized District Representative.

Disposition upon Completion of the Project

The completion of the Project and payment of all costs and expenses incidental thereto shall be evidenced by the filing with the Trustee by the Authorized District Representative of the Completion Certificate required by the Lease. As soon thereafter as practicable, any balance remaining in the Project Fund (other than amounts retained by the Trustee as specified in said certificate and after all rebatable earnings have been transferred to the Rebate Fund pursuant to the Indenture) shall without further authorization be deposited in the Certificate Fund and applied by the Trustee as directed by the District solely (i) to pay amounts representing Principal Component or premium, if any, with respect to the Certificates upon the payment or prepayment thereof at the earliest date permissible under the terms of the Indenture, or (ii) at the option of the District, to purchase Certificates at such earlier date or dates as the District may elect. From time to time as the proper disposition of the amounts retained by the Trustee and specified in said certificate shall be determined, to the extent that such amounts are not paid out by the Trustee, the District shall so notify the Trustee by one or more certificates as aforesaid and amounts from time to time no longer to be so retained by the Trustee shall be so deposited in the Certificate Fund and applied by the Trustee as aforesaid.

Disposition upon Acceleration

If the Certificates shall have become due and payable pursuant to the Indenture, upon the date of payment by the Trustee of any money due as provided in the Indenture, any balance remaining in the Project Fund, other than amounts required to be transferred to the Rebate Fund pursuant to the Indenture, shall without further authorization be deposited in the Certificate Fund by the Trustee with written notice to the District of such action.

Investment of Moneys in Funds

Money in the Funds held by the Trustee under the Indenture shall, pursuant to the District's written direction given by the Authorized District Representative and subject to the Tax Compliance Agreement, be separately invested and reinvested by the Trustee in Permitted Investments which mature or are subject to prepayment by the holder prior to the date when such money will be needed or, if such written directions are not received, the Trustee is directed to hold such moneys in uninvested cash. After the Trustee has notice pursuant to the Indenture of the existence of an Event of Default or an Event of Nonappropriation, the Trustee shall be entitled to direct the investment of money in the Funds held by it. The Trustee shall sell and reduce to cash a sufficient amount of such Permitted Investments whenever the cash balance in any Fund is insufficient for the purposes of such Fund. The Trustee may make any and all investments permitted by the provisions of this paragraph through its own bond department or any affiliate or short-term investment department. The Trustee shall be entitled to rely on any written investment direction of an Authorized District Representative as to the suitability and legality of such directed investment and, if the Interest Component of Rental Payments is excluded from gross income for federal income tax purposes, that such written investment direction complies with the requirements of the Tax Compliance Agreement.

Any Permitted Investments shall be held by or under the control of the Trustee and will be deemed at all times to be a part of the Fund in which such money is originally held. The interest earnings and any profit realized from Permitted Investments (other than any amounts required to be deposited in the Rebate Fund pursuant to the Indenture) in any Fund shall be credited to the applicable subaccount of the Certificate Fund. However, prior to the Completion Date, the District may, in its sole discretion, direct the Trustee to deposit all interest earnings and profit realized from Permitted Investments to the applicable subaccount of the Project Fund. Any loss resulting from Permitted Investments shall be charged to the applicable Fund.

In determining the balance in any Fund, investments in such Fund shall be valued at the lower of their original cost or their fair market value as of the most recent Certificate Payment Date. Investments in the Funds under the Indenture are required to be valued as frequently as deemed necessary, but not less often than on each April 15 and October 15 in each year during the Lease Term.

Events of Default

If any of the following events occur, it is hereby defined as and declared to be and to constitute an Event of Default under the Indenture:

(a) Default in the due and punctual payment of any amount representing Interest Components with respect to any Certificate other than a Capital Appreciation Certificate;

(b) Default in the due and punctual payment of any amount representing Principal Components or premium, if any, with respect to any Certificate, whether at maturity, upon prepayment or otherwise;

(c) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the District in the Indenture or in the Certificates contained (other than a default described in (a) or (b) above) or in any other document or instrument that secures or otherwise relates to the obligations hereby secured, and the continuance thereof for a period of 30 days after written notice thereof shall have been given to the District by the Trustee, or to the Trustee (which notice of default the Trustee shall be required to accept) and the District by the Registered Owners of not less than 25% of the aggregate of (i) the Compound Amount of the Capital Appreciation Certificates then Outstanding and (ii) the principal amount of all other Certificates then Outstanding; provided, however, if any default shall be such that it cannot be corrected within such 30-day period, it shall not constitute an Event of Default if corrective action is instituted by the District within such period and diligently pursued until the default is corrected, so long as said default is corrected within 60 days after written notice thereof was first given as hereinabove provided unless the Trustee at the written direction of the Registered Owners of not less than 25% of the aggregate of (i) the Compound Amount of the Capital Appreciation Certificates then Outstanding and (ii) the principal amount of all other Certificates then Outstanding otherwise consents in writing; or

(d) An Event of Default as specified in the Lease shall have occurred.

Acceleration of Maturity

If an Event of Default or an Event of Nonappropriation shall have occurred and be continuing, (1) the Trustee may, and (2) the Trustee shall (i) if an Event of Default in the payment of the Interest Component or the Principal Component with respect to the Certificates under the Indenture, or in the payment of Rental Payments under the Lease, has occurred and has continued for a period of 30 days, or (ii) at the written direction of the Registered Owners of not less than 25% of the aggregate of (A) the Compound Amount of the Capital Appreciation Certificates then Outstanding and (B) the principal amount of all other Certificates then Outstanding, by notice in writing delivered to the District, declare the Rental Payments and Additional Payments payable during the current Renewal Term immediately due and payable, and such Rental Payments and Additional Payments shall thereupon become and be immediately due and payable, anything in the Indenture or in the Certificates to the contrary notwithstanding.

If, at any time after such declaration, but before the Certificates shall have matured by their terms, all overdue installments representing Principal and Interest Components with respect to the Certificates, together with the reasonable and proper costs, charges, fees and expenses of the Trustee, and all other sums then payable by the District under the Indenture either have been paid or provision satisfactory to the Trustee for such payment has been made, then and in every such case the Trustee shall, upon the written request of the Registered Owners of not less than a majority of the aggregate of (i) the Compound Amount of the Capital Appreciation Certificates then Outstanding and (ii) the principal amount of all other Certificates then Outstanding, rescind such declaration

and annul such default in its entirety. In such event, the Trustee shall rescind any declaration of acceleration of installments of Rental Payments as provided in the Lease.

In case of any rescission, then and in every such case the District and the Trustee and the Registered Owners shall be restored to their former position and rights respectively, but no such rescission shall extend to any subsequent or other default or Event of Default or Event of Nonappropriation or impair any right consequent thereon.

Application of Moneys in Event of Default or Event of Nonappropriation

All moneys received by the Trustee upon an occurrence of an Event of Default or Event of Nonappropriation shall, after payment of the costs, fees, charges, and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses, liabilities and advances incurred or made by the Trustee, including any attorneys' fees and expenses, be deposited in the Certificate Fund. All moneys so deposited in the Certificate Fund shall be applied as follows:

(1) Unless any of the Principal Components with respect to the Certificates shall have become or shall have been declared due and payable, all such moneys shall be applied:

First — To the payment to the persons entitled thereto of all installments of amounts representing Interest Components then due and payable with respect to the Certificates, in the order in which such interest installments became due and payable and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment, ratably, according to the amounts due on such Interest Component installment, to the persons entitled thereto, without any discrimination or privilege; and

Second — To the payment to the persons entitled thereto of the unpaid amounts representing Principal Components with respect to any of the Certificates which have become due and payable (other than Certificates called for prepayment for the payment of which moneys are held pursuant to the provisions of the Indenture), in the order of their due dates and, if the amount available shall not be sufficient to pay in full amounts representing Principal Components due with respect to Certificates on any particular date, then to the payment, ratably, according to the amount of Principal Components due on such date, to the persons entitled thereto without any discrimination or privilege.

(2) If any of the Principal Component of the Rental Payments represented by the Outstanding Certificates has become due or been declared due and payable, all such moneys shall be applied to the payment of the amounts then due and unpaid with respect to all of the Certificates, without preference or priority of Principal Component over Interest Component or of Interest Component over Principal Component or of any installment of Interest Component over any other installment of Interest Component or of any Certificate over any other Certificate, ratably, according to the amounts due respectively for the Principal Component and Interest Component, to the persons entitled thereto, without any discrimination or privilege.

(3) If the Principal Component of the Rental Payments represented by any of the Outstanding Certificates has been declared due and payable, and if such declaration thereafter has been rescinded and annulled under the provisions of the Indenture, then, subject to the provisions of paragraph (2) above in the event that the Principal Component with respect to any of the Outstanding Certificates later becomes due or is declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (1) above.

Whenever moneys are to be applied as described in the foregoing paragraphs, such moneys shall be applied at such times and from time to time as the Trustee shall determine, having due regard to the amount of

such moneys available and which may become available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date (which shall be a Certificate Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Registered Owner of any unpaid Certificate until such Certificate shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all amounts representing Principal and Interest Components with respect to all Outstanding Certificates have been paid and all expenses and charges of the Trustee and the Paying Agents have been paid, any balance remaining in the Certificate Fund shall be paid to the District.

Remedies Cumulative

No remedy conferred upon or reserved to the Trustee or to the Registered Owners under the Indenture is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or the Registered Owners under the Indenture or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right, power or remedy accruing upon any Event of Default or Event of Nonappropriation shall impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default or Event of Nonappropriation or acquiescence therein; and every such right, power or remedy may be exercised from time to time and as often as may be deemed expedient. No waiver of any Event of Default or Event of Nonappropriation, whether by the Trustee or the Registered Owners, shall extend to or shall affect any subsequent Event of Default or Event of Nonappropriation or shall impair any rights or remedies consequent thereon.

Waivers of Event of Default or Event of Nonappropriation

Subject to the provisions of the Indenture, the Trustee may waive any Event of Default or any Event of Nonappropriation thereunder and its consequences and rescind any declaration of maturity of Rental Payments and Additional Payments, and shall do so upon the written request of the Owners of at least a majority of the aggregate of (i) the Compound Amount of the Capital Appreciation Certificates then Outstanding and (ii) the principal amount of all other Certificates then Outstanding. In case of any such waiver or rescission, or in case any proceedings taken by the Trustee under the Indenture on account of any such Event of Default or Event of Nonappropriation are discontinued or abandoned for any reason, or are determined adversely, then and in every such case the Trustee and the Registered Owners shall be restored to their former positions, rights and obligations under the Indenture, respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default, or impair any right consequent thereon, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been undertaken.

Acceptance of the Trusts

The Trustee accepts the trusts imposed upon it by the Indenture, and agrees to perform said trusts, but only upon and subject to the express terms and conditions contained in the Indenture, and no implied covenants or obligations shall be read into the Indenture against the Trustee. Prior to the occurrence of an Event of Default or an Event of Nonappropriation, and after the curing of all Events of Default or Events of Nonappropriation which may have occurred, the Trustee undertakes to perform only such duties as are specifically set forth in the Indenture. If an Event of Default or an Event of Nonappropriation has occurred and is continuing, the Trustee is required to exercise such of the rights and powers vested in it by the Indenture, and to use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

Resignation of the Trustee

The Trustee and any successor Trustee may at any time resign from the trusts created by the Indenture by giving 30 days' written notice to the District and the Registered Owners whose names and addresses are on file with the Trustee, and such resignation shall take effect upon the earlier of (i) the end of such 30 days or (ii) the appointment of a successor Trustee by the District or by the Owners of at least a majority in aggregate stated Principal Components represented by the Certificates then Outstanding in accordance with the Indenture; provided, however, that in no event shall the resignation of a Trustee or successor Trustee become effective until such time as a successor Trustee has been appointed and has accepted the appointment. If at any time the Trustee shall cease to be eligible to act as trustee in accordance with the provisions of the Indenture, the Trustee shall immediately resign in the manner provided by the Indenture. In the event that the District or the Registered Owners of at least a majority in aggregate Principal Components represented by the Certificates then Outstanding fail to appoint a successor Trustee within 30 days after notice of resignation has been given by the Trustee, the Trustee shall have the right to petition a court to appoint a successor Trustee.

Removal of the Trustee

The Trustee may be removed at any time for any breach of trust or by an instrument or concurrent instruments in writing delivered (a) to the Trustee and the District and signed by the Registered Owners of not less than a majority in aggregate Principal Components represented by the Certificates then Outstanding, or (b) to the Trustee and the Registered Owners and signed by the District (so long as no Event of Default or Event of Nonappropriation shall have occurred and being continuing) subsequent to any breach of the trusts set forth in the Indenture. In no event shall the removal of a Trustee or successor Trustee become effective until such time as a successor Trustee has been appointed and has accepted such appointment. In the event that the District or the Registered Owners of at least a majority in aggregate Principal Components represented by the Certificates then Outstanding fail to appoint a successor Trustee within 30 days after said instrument or concurrent instruments removing the Trustee are delivered to the Trustee, the Trustee shall have the right to petition a court to appoint a successor Trustee.

Appointment of Successor Trustee

In case the Trustee shall resign or be removed, or shall otherwise become incapable of acting, or in case it shall be taken under the control of any public officer or officers or of a receiver appointed by a court, a successor Trustee may be appointed by the Registered Owners of a majority in aggregate principal amount of Certificates then Outstanding, by an instrument or concurrent instruments in writing; provided, nevertheless, that in case of such vacancy and so long as no Event of Default or Event of Nonappropriation under the Indenture shall have occurred and be continuing, the District, by an instrument executed and signed by its President and attested by its Secretary under its seal, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the Registered Owners or the District in the manner above provided; and any such temporary Trustee so appointed by the District shall immediately and without further act be superseded by the successor Trustee so appointed by such Registered Owners. Every such Trustee appointed pursuant to the provisions of the Indenture shall warrant at the time of accepting such trust and exercising the powers of the Trustee under the Indenture that (i) it is a trust company or bank in good standing located in or incorporated under the laws of one of the states of the United States of America, (ii) it is duly authorized to exercise trust powers and is qualified to accept such trust, (iii) it is subject to examination by a federal or state authority, (iv) it shall maintain a reported capital and surplus of not less than \$75,000,000. If such institution publishes reports of conditions at least annually pursuant to law or regulation, then for the purposes of the Indenture the capital and surplus of such institution shall be deemed to be its capital and surplus as set forth in its most recent report of condition so published.

Supplemental Indentures Not Requiring Consent of Registered Owners

The District and the Trustee may from time to time, subject to the provisions of the Indenture, without the consent of or notice to any of the Registered Owners, enter into a Supplemental Indenture or Supplemental Indentures not inconsistent with the terms and provisions of the Indenture, for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in the Indenture or make any other change which in the judgment of the Trustee is not prejudicial to the Trustee or materially adverse to the security of the Registered Owners (provided the Trustee is entitled to receive and rely upon an opinion of counsel in exercising such judgment);
- (b) To grant to or confer upon the Trustee for the benefit of the Registered Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Registered Owners or the Trustee or either of them;
- (c) To more precisely identify the Facilities or the Trust Estate or to add property thereto or to substitute property or to release property so long as such release is not materially adverse to the security of the Registered Owners;
- (d) In connection with the final payment or defeasance of a series of Certificates, to release the Facilities financed by proceeds of such series of Certificates being paid or defeased;
- (e) To subject to the Indenture additional revenues, properties or collateral;
- (f) To comply with the arbitrage rebate requirements of Section 148(f) of the Code; and
- (g) To deliver Additional Certificates as provided in the Indenture.

Supplemental Indentures Requiring Consent of Registered Owners

Exclusive of Supplemental Indentures described under the above caption “**Supplemental Indentures Not Requiring Consent of Registered Owners**” and subject to the terms and provisions contained in the Indenture, and with the prior written consent of the Registered Owners of not less than a majority in aggregate Principal Components represented by the Certificates then Outstanding, the District and the Trustee shall have the right, from time to time, anything contained in the Indenture to the contrary notwithstanding, to execute such other Supplemental Indenture or Supplemental Indentures as shall be deemed necessary and desirable by the District for the purpose of modifying, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture or in any Supplemental Indenture; provided, however, that nothing in the Indenture shall permit or be construed as permitting without the consent of the Registered Owners of 100% of the aggregate of (i) the Compound Amount of the Capital Appreciation Certificates then Outstanding and (ii) the principal amount of all other Certificates then Outstanding (1) an extension of the maturity or mandatory prepayment date of any installment representing Principal or Interest Components with respect to any Certificate delivered under the Indenture, (2) a reduction in the Principal Component represented by any Certificate or the rate of interest with respect thereto, (3) a privilege or priority of any Certificate or Certificates over any other Certificate or Certificates, (4) a reduction in the aggregate Principal Components represented by the Certificates, or (5) a change to the optional, extraordinary optional or special mandatory prepayment provisions in the Indenture.

If at any time the District requests the Trustee to enter into any such Supplemental Indenture for any of the purposes of the Indenture, the Trustee shall cause notice of the proposed execution of such Supplemental Indenture to be mailed to each Registered Owner as shown on the Certificate Register. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the

corporate trust office of the Trustee for inspection. If within 60 days or such longer period as may be prescribed by the District following the mailing of such notice, the requisite percentage of Registered Owners shall have consented to and approved the execution thereof as provided in the Indenture, no Registered Owner of any Certificate shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the District from executing the same or from taking any action pursuant to the provisions thereof. Before the District and the Trustee enter into any Supplemental Indenture, an Opinion of Special Counsel must be delivered to the District and the Trustee stating that the Supplemental Indenture is authorized or permitted by the Indenture, will be valid and binding upon the District, and will not adversely affect the validity of the Certificates or the exclusion from federal gross income of interest on any Certificates that have been issued.

Amendments to the Base Lease or the Lease Not Requiring Consent of Registered Owners

The District and the Trustee shall, without the consent of or notice to any of the Registered Owners, enter into any amendment, change or modification of the Base Lease or the Lease as may be required (a) by the provisions of the Base Lease, the Lease or the Indenture, (b) for the purpose of curing any ambiguity or formal defect or omission in the Base Lease, the Lease or in connection with any other change therein which, in the judgment of the Trustee, is not to the prejudice of the Trustee or materially adverse to the security for the Registered Owners (provided the Trustee is entitled to receive and rely upon an opinion of counsel in exercising such judgment), (c) so as to more precisely identify the Facilities or add property thereto or to substitute property or to release property so long as such release is not materially adverse to the security for the Registered Owners, (d) in connection with the final payment or defeasance of a series of Certificates, to release the Facilities financed by proceeds of such series of Certificates being paid or defeased, or (e) in connection with the delivery of Additional Certificates.

Amendments to the Base Lease or the Lease Requiring Consent of Registered Owners

Except for the amendments, changes or modifications described under the above caption “**Amendments to the Base Lease or the Lease Not Requiring Consent of Registered Owners,**” neither the District nor the Trustee shall execute any other amendment, change or modification of the Base Lease or the Lease without the giving of notice and the obtaining of the written approval or consent of the Registered Owners of not less than a majority in aggregate Principal Components represented by the Certificates at the time Outstanding given and obtained as provided in the Indenture with respect to Supplemental Indentures. The Trustee shall cause notice of such proposed amendment, change or modification to be given in the same manner as provided in the Indenture with respect to Supplemental Indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the same are on file at the corporate trust office of the Trustee or such other office as the Trustee shall designate for inspection by all Certificate Owners. Before the District and the Trustee consent to any amendment, change or modification of the Base Lease or the Lease, an Opinion of Special Counsel must be delivered to the District and the Trustee stating that the amendment, change or modification is authorized or permitted by the Indenture and the instrument amended, will be valid and binding upon the District, and will not adversely affect the validity of the Certificates or the exclusion from federal gross income of interest on any Certificates that have been issued.

Satisfaction and Discharge of the Indenture

When the Principal Components, premium, if any, and Interest Components with respect to all the Certificates shall have been paid in accordance with their terms or provision has been made for such payment, as provided in the next paragraph, and provision has also been made for paying all other sums payable thereunder, including the fees, costs, charges and expenses of the Trustee and the Paying Agent to the date of retirement of the Certificates and all sums payable under the Lease, then the right, title and interest of the Trustee under the Indenture shall thereupon cease, determine and be void, and thereupon the Trustee shall cancel, discharge and release the Indenture and shall execute, acknowledge and deliver to the District such instruments of satisfaction and discharge or release as shall be requisite to evidence such release and the satisfaction and discharge of the

Indenture, and shall assign and deliver to the District any property at the time subject to the Indenture which may then be in the Trustee's possession, except funds or securities in which such moneys are invested and held by the Trustee for the payment of the Principal Component, premium, if any, and Interest Component of the Rental Payments represented by the Certificates.

Certificates Deemed to be Paid

Certificates or any portion thereof shall be deemed to be paid within the meaning of the Indenture when payment of the Principal Component, premium, if any, and Interest Component of the Rental Payments represented by the Certificates being paid (or, in the case of Capital Appreciation Certificates, the Compound Amount thereof and premium, if any) to the due date thereof (whether such due date is by reason of maturity or upon prepayment as provided in the Indenture, or otherwise), either (1) shall have been made or caused to be made in accordance with the terms of the Indenture, or (2) provision therefor shall have been made by depositing with the Trustee or other duly authorized escrow agent, in trust and irrevocably setting aside exclusively for such payment, (i) moneys sufficient to make such payment or (ii) Defeasance Obligations maturing as to principal and interest, without reinvestment, in such amount and at such times as will ensure the availability of sufficient moneys to make such payment. At such time as a Certificate shall be deemed to be paid under the Indenture as aforesaid, such Certificate shall no longer be secured by or be entitled to the benefits of the Indenture, except for the purposes of any such payment from such moneys or Defeasance Obligations. In the case of any Certificate which by its terms may be prepaid prior to its stated maturity, no such deposit will be deemed a payment of such Certificate until proper notice of prepayment has been given in accordance with the Indenture or irrevocable instructions to give such notice have been given to the Trustee, and, in the case of Certificates which do not mature or will not be prepaid within 90 days of the deposit, a verification report of an independent certified public accounting firm as to the adequacy of the trust funds to fully pay the Certificates deemed to be paid has been delivered to the Trustee.

SUMMARY OF CERTAIN PROVISIONS OF THE BASE LEASE

The following is a summary of certain provisions of the Base Lease. The following is not a comprehensive description, however, and is qualified in its entirety by reference to the Base Lease for a full recital of the provisions thereof.

Lease of the Project Site

Under the Base Lease, the District has leased the Project Site to the Trustee, and the Trustee has leased the Project Site from the District, subject to Permitted Encumbrances, on the terms and conditions set forth in the Base Lease.

Base Lease Term

The term of the Base Lease shall commence as of the date of the delivery thereof and shall end on June 30, 2056*, unless such term is sooner terminated as provided in the Base Lease.

Rent and Other Considerations

As and for rental and in consideration for the leasing of the Project Site to the Trustee, the Trustee shall:

(a) cause the Series 2026 Certificates and any Additional Certificates to be delivered to the purchasers thereof having such terms as set forth in the Indenture; and

* Preliminary; subject to change.

(b) cause the proceeds of the sale of the Series 2026 Certificates and any Additional Certificates to be deposited as provided in the Indenture.

Assignments, Subleases and Mortgage

Simultaneously with the delivery of the Base Lease, the Trustee is subleasing the Facilities to the District pursuant to the Lease, but subject to the Indenture and the reservation of certain rights under the Base Lease.

The Trustee may not mortgage or otherwise assign its rights under the Base Lease or sublet the Facilities without the written consent of the District except (i) the sublease and lease of the Facilities pursuant to the Lease, (ii) the assignment pursuant to the Indenture of its rights under the Base Lease and the Lease, (iii) if the Lease is terminated for any reason and the Base Lease is not otherwise terminated as provided under the Base Lease, or (iv) if an Event of Default or an Event of Nonappropriation under the Lease has occurred.

Except with respect to Permitted Encumbrances and as otherwise provided in the Base Lease, the Lease or the Indenture, neither the Trustee nor the District shall, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Facilities.

Eminent Domain

In the event the whole or any part of the Project Site or the Project is taken by eminent domain proceedings, the interest of the Trustee shall be recognized. The proceeds of said condemnation shall be applied as provided in the Lease. The Trustee and the District have reached an agreement on the terms of the acquisition of the Facilities at the District's option, and to the use of the Project, all as set forth in the Lease. Any acquisition of the Facilities or rights to their use by the District (whether pursuant to the exercise of eminent domain powers or otherwise) shall be pursuant to and in accordance with the Lease, including payment of Rental Payments and the applicable Option Purchase Price as set forth in the Lease. If the District allows the Lease to expire without exercising its option to purchase (whether by failure to exercise its option to extend the Lease for a Renewal Term, failure to exercise its option to purchase at the conclusion of the Maximum Lease Term or failure to cure an Event of Default under the Lease), that action shall constitute an irrevocable determination by the District that the Facilities are not required by it for any public purpose for the term of the Base Lease.

Termination

The Base Lease shall terminate upon the completion of the Base Lease term specified in the Base Lease; provided, however, in the event (i) the District pays all Rental Payments and Additional Payments required by the Lease during the Maximum Lease Term, or exercises the option to purchase the remaining Base Lease term of the Trustee under the Base Lease and pays the then applicable Option Purchase Price as provided in the Lease, and (ii) the Indenture has been discharged in accordance with its terms, then the Base Lease shall be considered assigned to the District and terminated through merger of the leasehold interest with the fee interest if the District is the owner of the fee interest and elects to terminate the leasehold interest so acquired from the Trustee. The Trustee agrees, upon such assignment and termination of the Base Lease term, to quit and surrender the Facilities as they then exist to the District free and clear of encumbrances, except Permitted Encumbrances.

Default by the District

If an Event of Default or an Event of Nonappropriation under the Lease occurs for any reason, or if the District terminates the Lease and fails to purchase the Trustee's interest in the Facilities as provided in the Lease, the Trustee, or its assignee, shall have the right to possession of the Facilities for the remainder of the Base Lease term and shall have the right to sublease the same or sell its interest in the Base Lease upon whatever terms and conditions it deems prudent. In such event, the Trustee shall obtain the same insurance coverage with respect to the Facilities as the District is required to obtain under the Lease for the remainder of the Base Lease term and

will furnish the District with evidence thereof. In the event that the Trustee shall receive a payment for the sale of its interest or total rental payments for subleasing that are, after the payment of the Trustee's expenses in connection therewith including fees and expenses of the Trustee, in excess of the purchase price applicable at the time of termination or default plus interest thereon at the interest rate per annum borne by the Certificates (which must be an amount sufficient to pay the Principal Component, premium, if any, and Interest Component with respect to the Certificates, or to provide for the payment thereof as provided in the Indenture, with amounts so received to be credited first to such Interest Component and then to Principal Component), then such excess shall be paid to the District by the Trustee, its assigns or its sublessee.

Default by the Trustee

Notwithstanding any default by the Trustee under the Base Lease, the District shall not have the right to exclude the Trustee from the Facilities or to take possession thereof (except pursuant to the Lease) or to terminate the Base Lease prior to the termination of the Base Lease term; except that if, upon exercise of the option to purchase the Trustee's interest in the Facilities under the Lease granted to the District in the Lease and after the payment of the purchase price specified therein and the other sums payable under the Lease, the Trustee fails to convey its interest therein to the District pursuant to said option, then the District shall have the right to terminate the Base Lease, such termination to be effective 30 days after delivery of written notice of such termination to the Trustee. However, in the event of any default by the Trustee resulting from the Trustee's negligence or willful misconduct, the District may maintain an action for damages or, if permitted in equity, for specific performance. In no event shall the Trustee be liable for consequential or punitive damages.

SUMMARY OF CERTAIN PROVISIONS OF THE LEASE

The following is a summary of certain provisions of the Lease. The following is not a comprehensive description, however, and is qualified in its entirety by reference to the Lease for a full recital of the provisions thereof.

Lease of Facilities

The Lessor rents, leases and lets the Facilities to the Lessee, and the Lessee rents, leases and hires the Facilities from the Lessor, for the rentals and upon and subject to the terms and conditions set forth in the Lease

Lease Term

The Lease shall become effective upon its delivery, and subject to earlier termination pursuant to the provisions of the Lease, shall have an Initial Term terminating on the last day of the Lessee's current Fiscal Year. At the end of the Initial Term and at the end of each Renewal Term, the Lessee will be deemed to have exercised its option to continue the Lease for the next Renewal Term unless the Lessee delivers written notice to the Lessor no later than June 30 of each year stating the Lessee's intention not to extend the Lease Term. The Lessee's option to renew or not to renew is conclusively determined by whether the Board of Education has, on or before the June 30 immediately preceding the end of the Initial Term or any Renewal Term then in effect, budgeted and appropriated, specifically with respect to the Lease, moneys sufficient to pay all Rental Payments and reasonably estimated Additional Payments for the ensuing Renewal Term.

The Lease Term may be extended, solely at the option of the Lessee, at the end of the Initial Term or any Renewal Term for an additional Renewal Term up to the Maximum Lease Term.

The Lessee's option to renew or not to renew the Lease may not be exercised at any time during which an Event of Default has occurred and is then continuing under any of the terms of the Lease; provided, however, that if such Event of Default (money payments excepted) is of such nature that the same is curable but not within the period allowed for curing such Event of Default, then the right of the Lessee to exercise the option to renew

shall not be suspended if the Lessee shall have promptly commenced within such period to comply with the provisions hereof which shall have been breached by it and if so long as the Lessee shall, with diligence and continuity, proceed to cure such Event of Default.

The terms and conditions during any Renewal Term shall be the same as the terms and conditions during the Initial Term, except that the Rental Payments shall be as provided in the schedules attached to the Lease, as such schedules may be revised as provided in the Indenture.

Termination of the Lease Term

The Lease Term will terminate, and all of the Lessee's right, title and interest in and to the Lease (except to the extent of any conveyance as a result of the Lessee's exercise of its option to purchase the Facilities) and its obligations thereunder shall terminate without penalty upon the earliest to occur of any of the following events:

- (a) the expiration of the Initial Term or any Renewal Term and the nonrenewal of the Lease Term resulting from an Event of Nonappropriation pursuant to the Lease (which is not thereafter waived by the Lessor);
- (b) the exercise by the Lessee of the option to purchase the Facilities pursuant to the Lease;
- (c) an Event of Default and the Lessor's election to terminate the Lease;
- (d) the payment by the Lessee of all Rental Payments and Additional Payments authorized or required to be paid by the Lessee under the Lease during the Maximum Lease Term; or
- (e) June 30, 2046* (unless otherwise provided in a Supplemental Lease).

Rental Payments

The Lessee has agreed in the Lease to make Rental Payments, exclusively from legally available funds, in lawful money of the United States of America, to the Lessor during the Initial Term and each Renewal Term, in the amounts and on or before each Certificate Payment Date set forth in the Lease (or on any other date a Rental Payment is due with respect to the Facilities whether at stated maturity, upon prepayment or declaration of acceleration or otherwise), in funds which will be immediately available to the Lessor in the applicable subaccount of the Certificate Fund on the due dates. Each Rental Payment shall be in consideration for the use of the Facilities by the Lessee for the period from the effective date of the Lease or the immediately preceding Rental Payment Date, as applicable, to the next succeeding Rental Payment Date. All Rental Payments shall be paid by the Lessee directly to the Lessor and shall be deposited in accordance with the provisions of the Indenture into the Certificate Fund. The amounts deposited in the Certificate Fund shall be used and applied by the Lessor in the manner and for the purposes set forth in the Indenture.

A portion of each Rental Payment is to be paid as, and represents the payment of, interest on an obligation of the Lessee (the "**Interest Component**"). The Series 2026 Certificates consist of Current Interest Certificates and Capital Appreciation Certificates. The Interest Component with respect to the Current Interest Certificates is payable semiannually on April 15 and October 15 in each year. The Interest Component with respect to the Capital Appreciation Certificates compounds semiannually on April 15 and October 15 and is not paid on a current basis, but instead is payable only at maturity, or upon prior prepayment, as part of the Compound Amount or Maturity Amount. The Rental Payments and Option Purchase Price are to be recalculated by the Lessor and the Rental Payment Schedule attached to the Lease shall be revised from time to time in the event of a partial prepayment of Certificates (other than mandatory prepayments pursuant to the Indenture). The Lessee has agreed in the Lease to pay the Rental Payments in accordance with the Rental Payment Schedule as

* Preliminary; subject to change.

it may be revised from time to time by such amounts as are necessary to reflect the prepayment of the Principal Component represented by certain Certificates. Each Rental Payment shall be applied first as a payment of the Interest Component and then as a payment of the Principal Component as shown on the Rental Payment Schedule attached to the Lease.

If the Lessee fails to make any portion of the Rental Payments which are due under the Lease, the Lessee will immediately quit and vacate the Facilities, and the Rental Payments (except for Rental Payments which have been theretofore appropriated and then available for such purpose) shall thereupon cease, it being understood between the parties that neither the Lessee nor any agency or political subdivision thereof is obligated to make any Rental Payments which are due to the Lessor or the Option Purchase Price except as provided in the Lease. Should the Lessee fail to pay any portion of the required Rental Payments or Additional Payments and then fail to immediately quit and vacate the Facilities, the Lessor in accordance with the Indenture may immediately bring legal action to evict the Lessee from the Facilities (and the Lessee shall, to the extent permitted by law, pay as damages for its failure to quit and vacate the Facilities upon termination of the then current term of the Lease in violation of the terms thereof an amount equal to the Rental Payments and Additional Payments otherwise payable during such term prorated on a daily basis) and commence proceedings to exercise available rights and remedies under the Lease or the Base Lease. No judgment may be entered against the Lessee for failure to make any Rental Payments, Additional Payments or the Option Purchase Price, except to the extent that the Lessee has theretofore incurred liability to make any such payments through its actual use and occupancy of the Facilities, or through its exercise of an option that renews the Lease for an additional Renewal Term for which moneys have been appropriated, or is otherwise obligated to make such payments pursuant to the Lease.

Additional Payments

The Lessee shall pay as Additional Payments the following amounts:

- (a) All fees, charges and expenses reasonably incurred, including agent and counsel fees and expenses, of the Lessor and the Paying Agent incurred under the Indenture and the Lease, and in connection with the performance of the Lessor's obligations under the Lease, the Base Lease or the Indenture, as and when the same become due.
- (b) All costs incidental to the payment of the Principal Component, premium, if any, and Interest Component represented by the Certificates as the same become due and payable, including all costs and expenses in connection with the call, prepayment and payment of Certificates.
- (c) All expenses incurred in connection with the enforcement of any rights under the Lease, the Base Lease or the Indenture by the Lessor or the Registered Owners.
- (d) All arbitrage rebate required to be paid to the United States, if any, as provided in the Indenture and the Tax Compliance Agreement.
- (e) All other payments of whatever nature which the Lessee has agreed to pay or assume under the provisions of the Lease, the Indenture or the Base Lease.

If the Lessee fails to pay any Additional Payments required by the Lease, the Lessor may (but shall be under no obligation to) pay such Additional Payments, which Additional Payments, together with interest thereon at the Prime Rate plus 2%, are to be reimbursed to the Lessor, by the Lessee upon demand therefor, subject to the availability of sufficient legally available funds for such purpose.

Event of Nonappropriation

In the event that the Board of Education of the Lessee shall not budget and appropriate, specifically with respect to the Lease, on or before the end of each Fiscal Year, moneys sufficient to pay all Rental Payments and

the reasonably estimated Additional Payments coming due for the then current Renewal Term, an Event of Nonappropriation shall be deemed to have occurred. In the event that during the Initial Term or any Renewal Term, any Additional Payments shall become due which were not included in the Lessee's current budget, or which exceeded the amounts which were included therefor in the Lessee's current budget, then, in the event that moneys are not specifically budgeted and appropriated to pay such Additional Payments within 30 days subsequent to the date upon which such Additional Payments are due, an Event of Nonappropriation shall be deemed to have occurred.

If an Event of Nonappropriation occurs, the Lessee shall not be obligated to make payment of the Rental Payments or Additional Payments or any other payments provided for in the Lease (other than with respect to indemnification of the Lessor under the Lease or from funds pledged to or encumbered for the payment of such obligations) which accrue after the last day of the Initial Term or Renewal Term during which such Event of Nonappropriation shall occur.

Maintenance, Repairs and Utilities

The Lessee covenants and agrees that throughout the Lease Term and at its own expense it will maintain or cause to be maintained, preserve and keep the Facilities and all parts thereof in good repair, working order and condition, and will from time to time make all repairs, replacements and improvements necessary to keep the Facilities and all parts thereof in safe condition and free from filth, nuisance or conditions unreasonably increasing the danger of fire or other casualty. The Lessor shall have no responsibility for any of these repairs, replacements or improvements.

The Lessee shall contract in its own name and pay for all utilities and utility services used by the Lessee in, on or about the Facilities, and the Lessee, shall, at its sole cost and expense, procure any and all permits, licenses or authorizations necessary in connection therewith.

Taxes, Assessments and Other Governmental Charges

The parties to the Lease contemplate that the Facilities will be used for a governmental or proprietary purpose of the Lessee and, therefore, that the Facilities will be exempt from all taxes presently assessed and levied with respect to real or personal property. In the event that the use, possession or acquisition of the Facilities is found to be subject to taxation in any form, the Lessee will pay or cause to be paid during the Lease Term, as the same respectively become due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Facilities and any facilities, equipment or other property acquired by the Lessee in substitution for, as a renewal or replacement of, or a modification, improvement or addition to the Facilities as well as all gas, water, steam, electricity, heat, power, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Facilities; provided that, with respect to any governmental charge that may lawfully be paid in installments over a period of years, the Lessee shall be obligated to pay only such installments as are accrued during such time as the Lease is in effect.

Property and Casualty Insurance

The Lessee shall, at its sole cost and expense, maintain or cause to be maintained at all times throughout the Lease Term, property and casualty insurance, or shall demonstrate pursuant to the Lease that adequate self-insurance is provided, to keep the Facilities insofar as the same may be of an insurable nature constantly insured against loss or damage by fire, lightning and all other risks covered by the all risk extended coverage insurance endorsement then in use in the State in an amount equal to the Full Insurable Value of the Facilities (subject to reasonable loss deductible clauses not to exceed \$25,000); provided, however, that during the Construction Period, if the Contractor under the Construction Contracts maintains in full force and effect a policy or policies of Builder's Risk-Completed Value Form Insurance insuring the Project against fire, lightning and all other risks covered by the extended coverage endorsement then in use in the State to the Full Insurable Value of the Facilities

(subject to reasonable loss deductible clauses not to exceed \$25,000) then the insurance required by this paragraph shall not be required for such Construction Period with respect to the Project while the Project is so covered by such other insurance. The Full Insurable Value of the Facilities shall be determined once in every three Fiscal Years, commencing with the year ending June 30, 2029, by an architect, contractor, appraiser, appraisal company or one of the insurers, to be selected and paid by the Lessee and a report of such determination shall be filed with the Lessee and the Lessor within 180 days after the end of such third Fiscal Year. The insurance required pursuant to this paragraph shall be maintained at the Lessee's sole cost and expense. Such insurance may be maintained through the Missouri United School Insurance Council or with a generally recognized responsible insurance company or companies authorized to do business in the State as may be selected by the Lessee. All such policies of insurance or certificates evidencing such coverage, and all renewals thereof, shall name the Lessee and the Lessor as insureds as their respective interests may appear, and shall contain a provision that such insurance may not be canceled by the issuer thereof without at least 30 days advance written notice to the Lessee and the Lessor and shall be payable to the Lessor.

Public Liability Insurance

The Lessee shall, at its sole cost and expense, maintain or cause to be maintained at all times during the Lease Term general accident and public liability insurance (including but not limited to coverage for all losses whatsoever arising from the ownership, maintenance, operation or use of any automobile, truck or other motor vehicle), or shall demonstrate, pursuant to the Lease, that adequate self-insurance is provided, under which the Lessee and the Lessor shall be named as insureds, properly protecting and indemnifying the Lessee and the Lessor, in amounts equal to Lessee's customary insurance practice for bodily injury (including death) but in no event less than the limitation on awards for liability in effect from time to time under Section 537.610, RSMo, and for property damage arising out of or in any way relating to the condition or the operation of the Facilities (subject to reasonable loss deductible clauses not to exceed \$25,000). Each insurance policy provided for in this paragraph or certificates evidencing such coverage shall contain a provision to the effect that the insurance company may not cancel or materially modify the policy without first giving at least 30 days advance written notice to the Lessee and the Lessor.

In the event of a public liability occurrence, the Net Proceeds of liability insurance carried pursuant to this paragraph or self-insurance program of the Lessee shall be applied toward the extinguishment or satisfaction of the liability with respect to which such proceeds have been paid.

Workers' Compensation Insurance

The Lessee shall maintain or cause to be maintained workers' compensation insurance required by the laws of the State covering all of its employees, or shall demonstrate, pursuant to the Lease, that adequate self-insurance is provided, and shall require any other person or entity working for or on behalf of the Lessee to carry such coverage.

Blanket Insurance, Self-Insurance and Modifications

The Lessee may satisfy any of the insurance requirements set forth in the Lease by using blanket policies of insurance which cover not only the Facilities but other properties, provided that the Lessee complies with each and all of the requirements and specifications of the Lease respecting insurance.

The Lessee represents in the Lease that it currently maintains insurance meeting the requirements of the Lease. Without the consent of the Registered Owners, the Lessee may, upon the recommendation of an insurance consultant that the Lessee will be adequately insured, make modifications to the insurance coverage, including for the Lessee to be self-insured, in whole or in part, for any such coverage, taking into account the cost and availability of insurance and the effect of the terms and rates of such insurance upon the Lessee's costs and charges for its services.

Additions, Modifications and Improvements to the Facilities

The Lessee shall have and is given the right pursuant to the Lease, at its sole cost and expense, to make such additions, modifications and improvements in and to any part of the Facilities as the Lessee from time to time may deem necessary or desirable for its purposes; provided, however, the Lessee shall not make any additions, modifications or improvements which will in any way damage the Facilities or substantially reduce the value of the Facilities. All additions, modifications and improvements made by the Lessee shall (i) be made in a workmanlike manner and in strict compliance with all laws and ordinances applicable thereto, (ii) when commenced, be prosecuted to completion with due diligence, and (iii) when completed, be deemed a part of the Facilities except as otherwise provided in the Lease.

No addition, modification or improvement to the Facilities shall entitle the Lessee to any reimbursement of any Rental Payments or Additional Payments from the Lessor or the Registered Owners, nor shall the Lessee be entitled to any abatement or diminution in Rental Payments or Additional Payments under the Lease, except such diminution as results from prepayment of the Principal Component of Rental Payments represented by the Certificates pursuant to the Indenture.

Additional Improvements on the Project Site

The Lessee has the right, at its sole cost and expense, to construct on portions of the Project Site not theretofore occupied by buildings or improvements such additional buildings and improvements as the Lessee from time to time may deem necessary or desirable for its business purposes. All additional buildings and improvements constructed on the Project Site by the Lessee shall become a part of the Facilities and subject to the terms and conditions contained in the Lease and the Base Lease. The Lessee covenants and agrees (a) to make any repairs and restorations required to be made to the Facilities because of the construction of, addition to, alteration or removal of said additional buildings or improvements, (b) to keep and maintain said additional buildings and improvements in good condition and repair, ordinary wear and tear excepted, and (c) to promptly and with due diligence either raze and remove from the Project Site in a good workmanlike manner, or repair, replace or restore any of said additional buildings and improvements as may from time to time be damaged by fire or other casualty.

Damage and Destruction

If during the Lease Term, the Facilities are damaged or destroyed, in whole or in part, by fire or other casualty, to such extent that the claim for loss (including any deductible amount pertaining thereto) resulting from such damage or destruction is greater than \$100,000, the Lessee shall promptly notify the Lessor in writing as to the nature and extent of such damage or loss and whether it is practicable and desirable to rebuild, repair, restore or replace such damage or loss.

If the Lessee shall determine that such rebuilding, repairing, restoring or replacing is practicable and desirable, the Lessee shall proceed promptly with and complete with reasonable dispatch such rebuilding, repairing, restoring or replacing of the property damaged or destroyed so as to place said Facilities in substantially the same condition as existed prior to the event causing such damage or destruction, with such changes, alterations and modifications (including the substitution and addition of other property) as may be desired by the Lessee and as will not impair the utility of the Facilities. The Lessee will cause the Net Proceeds of any insurance claim to be applied to the prompt repair, restoration, modification or improvement of the Facilities. Any balance of the Net Proceeds remaining after such work has been completed shall be deposited into the Certificate Fund. If the Net Proceeds of casualty insurance required by the Lease and received with respect to any such damage or loss to the Project exceeds \$100,000, such Net Proceeds shall be paid to the Lessor and shall be deposited into a separate account to be established in the Project Fund and shall be used and applied at the request of the Lessee in accordance with the disbursement requirements of the Indenture for the purpose of paying the cost of such rebuilding, repairing, restoring or replacing such damage or loss. Any amount remaining in the Project Fund after completion of such rebuilding, repairing, restoring or replacing shall be

deposited into the Certificate Fund which completion shall be evidenced by a certificate signed by an Authorized District Representative and filed with the Lessor. If said Net Proceeds are not sufficient to pay in full the costs of such replacement, repair, rebuilding or restoration, the Lessee shall nonetheless complete the work thereof and shall, subject to the provisions of the Lease relating to the Lease Term and the annual appropriation of funds, pay that portion of the costs thereof in excess of the amount of said Net Proceeds.

If the Lessee shall determine that rebuilding, repairing, restoring or replacing the Facilities is not practicable and desirable, then, in lieu of rebuilding, repairing, restoring or replacing the Facilities, the Lessee shall promptly purchase the Facilities by paying the Option Purchase Price to the Lessor and any Net Proceeds of casualty insurance required by the Lease and received with respect to any such damage or loss to the Facilities shall be applied to such payment. Any balance of the Net Proceeds remaining after paying the Option Purchase Price to the Lessor shall belong to the Lessee. The Lessee agrees that any acquisition of the Facilities or rights to their use by the Lessee shall be pursuant to and in accordance with the Lease, including payment of Rental Payments and the applicable Option Purchase Price.

The Lessee shall not, by reason of its inability to use all or any part of the Facilities during any period in which the Facilities are damaged or destroyed, or are being repaired, rebuilt, restored or replaced, or by reason of the payment of the costs of such rebuilding, repairing, restoring or replacing, be entitled to any reimbursement from the Lessor or the Registered Owners of the Certificates, or any abatement or diminution of the rentals payable by the Lessee under the Lease or of any other obligations of the Lessee under the Lease except as expressly provided in the Lease.

Condemnation or Deficiency of Title

Any Net Proceeds of title insurance or other award from a challenge or threat of legal or equitable action related to the title or use of the Facilities shall be deposited with the Lessor and paid into the Certificate Fund and shall be used to prepay Certificates pursuant to the Indenture at the earliest possible date.

If during the Lease Term title to, or the temporary use of, all or part of the Facilities is condemned by any authority having the power of eminent domain, the condemnation proceeds shall be deposited with the Lessor and paid into the Certificate Fund and shall be used by the Lessor to prepay Certificates pursuant to the Indenture. The Lessee agrees that any acquisition of the Facilities or rights to their use by the Lessee (whether pursuant to the exercise of its eminent domain powers or otherwise) shall be pursuant to and in accordance with the Lease, including payment of Rental Payments and the applicable Option Purchase Price. This paragraph shall survive the termination of the Lease for any reason.

The Lessor shall cooperate fully with the Lessee in the handling and conduct of any prospective or pending condemnation proceedings with respect to the Facilities or any part thereof, and shall, to the extent the Lessor may lawfully do so, permit the Lessee to litigate in any such proceeding in the name and on behalf of the Lessor. In no event will the Lessor voluntarily settle or consent to the settlement of any prospective or pending condemnation proceedings with respect to the Facilities or any part thereof without the written consent of the Lessee.

Option to Purchase the Lessor's Interest in the Facilities

At the option and request of the Lessee, the Lessor's estate and interest in the Facilities will be transferred, conveyed and assigned to the Lessee and the Lease shall terminate:

(a) at any time upon payment or providing for the payment of all Rental Payments represented by the Certificates, all Additional Payments and the Option Purchase Price to the Optional Purchase Date (assuming the Lessee renews the Lease until the end of the Lease Term or the Renewal Term in which the Optional Prepayment Date occurs); or

(b) at any time in the event (i) title to, or the temporary or permanent use of, all or substantially all of the Facilities or the estate or interest of the Lessee or the Lessor in the Facilities shall be taken in any condemnation proceeding brought by any authority exercising the power of eminent domain (other than the Lessee or any entity controlled by or otherwise affiliated with the Lessee); (ii) title to all or substantially all of the Facilities is found to be deficient or nonexistent to the extent that the Facilities are untenable or the efficient utilization of the Facilities by the Lessee is impaired; (iii) all or substantially all of the Facilities is damaged or destroyed by fire or other casualty; or (iv) the Indenture, the Lease or the Base Lease shall become void or unenforceable, or impossible of performance without unreasonable delay, or unreasonable burdens or excessive liabilities are imposed on the Lessee, upon payment by the Lessee of the then applicable Option Purchase Price plus all Rental Payments, Additional Payments and accrued interest on the Certificates up to and including the date of purchase (or, in the case of Capital Appreciation Certificates, the Compound Amount thereof as of the date of purchase).

To exercise such option the Lessee shall give written notice to the Lessor, if any of the Certificates shall then be unpaid or provision for their payment shall not have been made in accordance with the provisions of the Indenture, and shall specify therein the date of closing such purchase, which date shall be not less than 20 nor more than 60 days from the date when such notice is mailed, and in case of a prepayment of the Certificates in accordance with the provisions of the Indenture, the Lessee shall make arrangements satisfactory to the Lessor for the giving of the required notice of prepayment.

Payment of the final Rental Payments and Additional Payments shall constitute exercise of the option granted under the Lease without further action by the Lessee.

Determination of Fair Purchase Price; Acquisition of the Lessor's Interest in the Facilities

The Lessee agrees and determines that the Rental Payments under the Lease during the Initial Term and any Renewal Term represent the fair value of the use of the Facilities and that the amount required to exercise the Lessee's option to purchase the Lessor's interest in the Facilities pursuant to the Lease represents, as of the purchase date, the fair purchase price of the Facilities. The Lessee determines that the Rental Payments do not exceed a reasonable amount so as to place the Lessee under an economic practical compulsion to renew the Lease or to exercise its option to purchase the Facilities under the Lease. In making such determinations, the Lessee has given consideration to the Project Costs, the uses and purposes for which the Facilities will be employed by the Lessee, the benefit to the Lessee by reason of the acquisition, construction, equipping and installation of the Project and the use and occupancy of the Facilities pursuant to the Lease and Lessee's option to purchase the Facilities.

The Lessee is entering into the Lease to acquire the use of the Facilities during the Lease Term, and with the current intent of acquiring the Lessor's interest in the Facilities in accordance with the Lease for its public purposes. Any acquisition of the Facilities or rights to their use by the Lessee (whether pursuant to the exercise of eminent domain powers or otherwise) shall be pursuant to and in accordance with the Lease, including payment of Rental Payments and the applicable Option Purchase Price. If the Lessee allows the Lease to expire without exercising its option to purchase (whether by failure to exercise its option to extend the Lease for a Renewal Term, failure to exercise its option to purchase at the conclusion of the Maximum Lease Term or failure to cure an Event of Default), that action shall constitute an irrevocable determination by the Lessee that the Facilities are not required by it for any public purpose for the term of the Base Lease. This Section shall survive the termination of the Lease for any reason.

Events of Default

If any one or more of the following events shall occur and be continuing, it is hereby defined as and declared to be and to constitute an "Event of Default" under the Lease:

(a) Failure by the Lessee to pay any Rental Payment required to be paid under the Lease at the time specified; or

(b) Failure by the Lessee to pay any Additional Payment or to observe or perform any other covenant, agreement, obligation or provision of the Lease on its part to be observed or performed, and such failure shall continue for 30 days after the Lessor has given the Lessee written notice specifying such failure or such longer period (but not to exceed 60 days unless the Lessor shall otherwise consent) as shall be reasonably required to cure such default; provided that (1) the Lessee has commenced such cure within said 30-day period, and (2) the Lessee diligently prosecutes such cure to completion; or

(c) Failure by the Lessee to vacate the Facilities within 30 days after the occurrence of an Event of Nonappropriation; or

(d) An Event of Default under the Indenture shall have occurred and be continuing.

Remedies on the Occurrence of an Event of Default or an Event of Nonappropriation

If an Event of Default or an Event of Nonappropriation shall have occurred and be continuing, then the Lessor may at the Lessor's election (subject, however, to any restrictions contained in the Indenture against acceleration of the maturity of the Certificates or termination of the Lease), then or at any time thereafter, and while such Event of Default or Event of Nonappropriation shall continue, take any one or more of the following actions:

(a) With or without terminating the Lease take possession of the Facilities, in which event the Lessee shall take all actions necessary to authorize, execute and deliver to the Lessor all documents necessary to vest in the Lessor for the remainder of the Lease Term, all of the Lessee's interest in and to the Facilities, and sell the Lessor's (or its assignee's) interest in the Lease, or lease or sublease the Facilities and collect the rentals therefor, for all or any portion of the remainder of its leasehold term upon such terms and conditions as it may deem satisfactory in its sole discretion, with the Lessee remaining liable, subject to the provisions of the Lease relating to the Lease Term and the annual appropriation of funds, for the difference between (i) the Rental Payments and Additional Payments payable by the Lessee to the end of the current Lease Term and (ii) the net proceeds or any purchase price, rents or other amounts paid by the new purchaser, lessee or sublessee of such Facilities, and, provided further, that, in such event, if the Lessor shall receive a payment for sale of its interest or total subrentals for sublease that are, after payment of the Lessor's expenses in connection therewith, in excess of the principal amount of Certificates then Outstanding and the interest due and to become due thereon (or, in the case of Capital Appreciation Certificates, the Compound Amount thereof) and all other Additional Payments, then such excess shall be paid to the Lessee either by the Lessor, its assigns, or its sublessee; or

(b) By written notice to the Lessee, declare all Rental Payments and Additional Payments payable for the remainder of the current Renewal Term to be immediately due and payable and the same shall thereupon become immediately due and payable; or

(c) Give the Lessee written notice of intention to terminate the Lease on a date specified in such notice, which date may be the earlier of 30 days after such notice is given or the end of the current Renewal Term, and if all defaults have not then been cured, on the date so specified, the Lessee's rights to possession of the Facilities shall cease and the Lease shall thereupon be terminated, and the Lessor may re-enter and take possession of the Facilities; or

(d) Exercise any of the rights of a secured party under the Uniform Commercial Code of Missouri, as then in effect, with respect to property which is covered by such Code, including without limitation, the right to take possession of any personal property or fixtures subject to the lien granted pursuant to the Lease and to take such other measures as the Lessor may deem as necessary for the care, protection, preservation and marketing of said personal property and fixtures. The Lessor may require the Lessee to assemble any such

personal property or fixtures and make the same available to the Lessor at a place to be designated by the Lessor which is reasonably convenient to the Lessor and the Lessee. It is agreed that a commercially reasonable manner of disposition of personal property includes, without limitation, disposition of the Facilities in the manner provided in the Lease; or

(e) Take whatever action at law or in equity may appear necessary or desirable to collect the Rental Payments and Additional Payments then due and thereafter to become due during the Lease Term and to enforce its rights under the Lease and the performance and observance of any obligation, agreement or covenant of the Lessee under the Lease.

If, in accordance with any of the foregoing provisions, the Lessor shall have the right to elect to re-enter and take possession of the Facilities, the Lessor may enter and expel the Lessee and those claiming through or under the Lessee and remove the property and effects of both or either without being guilty of any manner of trespass and without prejudice to any remedies for arrears of rent or for breach of covenant. The Lessor may take whatever action at law or in equity which may appear necessary or desirable to collect rent then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Lessee under the Lease.

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APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated as of _____, 2026 (this “**Continuing Disclosure Undertaking**”), is executed and delivered by **PERRY COUNTY SCHOOL DISTRICT NO. 32** (the “**District**”).

RECITALS

1. This Continuing Disclosure Undertaking is executed and delivered in connection with the execution and delivery of \$_____ **Perry County School District No. 32 Certificates of Participation, Series 2026** (the “**Certificates**”), pursuant to a Trust Indenture dated as of October 1, 2026 (the “**Indenture**”), between UMB Bank, N.A., as trustee (the “**Trustee**”) and the District, which Certificates evidence proportionate interests of the owners thereof in rental payments to be made by the District pursuant to a Lease Agreement dated as of October 1, 2026 (the “**Lease**”), between the Trustee and the District.

2. The District is entering into this Continuing Disclosure Undertaking for the benefit of the Beneficial Owners of the Certificates and 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 Indenture and the Lease, 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 Certificates 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 Certificates (including persons holding Certificates through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Certificates 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 Certificates required to comply with the Rule in connection with the offering of the Certificates.

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, 2026, 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 Certificates. 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 Certificates, 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 Certificates, 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 Certificates ("**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 Certificates, or other material events affecting the tax status of the Certificates;
- (7) modifications to rights of Certificate holders, if material;
- (8) Certificate calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Certificates, 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 Certificates. 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 Certificates, 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. Any 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 Special 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, (a) notice of such change shall be given in the same manner as for a Material Event under **Section 3**, and (b) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Additional Information. Nothing in this Continuing Disclosure Undertaking shall be deemed to prevent the 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 which is 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 which is 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 Certificates 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 Indenture or the Certificates, 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 Beneficial Owners from time to time of the Certificates, and shall create no rights in any other person or entity.

Section 10. Severability. If any provision in this Continuing Disclosure Undertaking, the Indenture or the Certificates 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 sent, received, or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 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: Perry County School District No. 32 (the “**District**”)

Name of Issue: \$[Principal Amount] Perry County School District No. 32 Certificates of Participation, Series 2026 (the “**Certificates**”)

Date of Issuance: _____, 2026

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Certificates as required by the Continuing Disclosure Undertaking dated as of _____, 2026 by the District. [The District anticipates that the Annual Report will be provided by _____, 20__.]

Dated: _____, 20__

Perry County School District No. 32

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APPENDIX E

TABLE OF COMPOUND AMOUNTS OF CAPITAL APPRECIATION CERTIFICATES

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APPENDIX F

THE BOOK-ENTRY ONLY SYSTEM

The Series 2026 Certificates are available in book-entry only form and beneficial ownership interests therein may be purchased in the principal amount of \$5,000 or any integral multiple thereof. Purchasers of the Series 2026 Certificates will not receive certificates representing their interests in the Series 2026 Certificates.

The following information concerning The Depository Trust Company, New York, New York and DTC's book-entry system has been obtained from sources the District believes to be reliable. However, the District takes no responsibility as to the accuracy or completeness thereof and neither the Indirect Participants nor the Beneficial Owners should rely on the following information with respect to such matters, but should instead confirm the same with DTC or the Direct Participants, as the case may be. There can be no assurance that DTC will abide by its procedures or that such procedures will not be changed from time to time.

General. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2026 Certificates. The Series 2026 Certificates 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 certificate will be issued for each maturity of the Series 2026 Certificates, in the aggregate principal amount of such issue, and will be deposited with DTC.

So long as Cede & Co., as nominee of DTC, is the registered owner of the Series 2026 Certificates, the Beneficial Owners of the Series 2026 Certificates will not receive or have the right to receive physical delivery of the Series 2026 Certificates, and references herein to the Certificate owners or registered owners of the Series 2026 Certificates shall mean Cede & Co. and shall not mean the Beneficial Owners of the Series 2026 Certificates.

DTC and its Participants. DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity 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 <http://www.dtcc.com>.

Purchase of Ownership Interests. Purchases of Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2026 Certificates on DTC's records. The ownership interest of each actual purchaser of each Certificate ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from

DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2026 Certificates 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 Certificates, except in the event that use of the book-entry system for the Series 2026 Certificates is discontinued.

Transfers. To facilitate subsequent transfers, all Certificates 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 Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2026 Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Notices. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2026 Certificates, such as prepayments, defaults, and proposed amendments to the related documents. For example, Beneficial Owners of Certificates may wish to ascertain that the nominee holding the Series 2026 Certificates 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. Prepayment notices shall be sent to DTC. If less than all of the Series 2026 Certificates within an issue 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 prepaid.

Voting. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Certificates unless authorized by a Direct Participant in accordance with DTC's 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 Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments with Respect to the Series 2026 Certificates. So long as any Certificate is registered in the name of DTC's nominee, all payments of Principal Components, prepayment premium, if any, and Interest Components with respect to such Certificate 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 Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of prepayment proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

Discontinuation of Book Entry System. DTC may discontinue providing its services as depository with respect to the Series 2026 Certificates at any time by giving reasonable notice to the District or the Trustee.

Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered. The District, may decide to discontinue using the book-entry transfer system through DTC (or a successor securities depository). If the District discontinues use of the system, Certificates will be printed and delivered.

None of the Underwriter, the Trustee nor the District will have any responsibility or obligations to any Direct Participants or Indirect Participants or the persons for whom they act with respect to (i) the accuracy of any records maintained by DTC or any such Direct Participant or Indirect Participant; (ii) the payment by any Participant of any amount due to any Beneficial Owner in respect of the Principal Components, premium, if any, or Interest Components with respect to the Series 2026 Certificates; (iii) the delivery by any such Direct Participant or Indirect Participant of any notice to any Beneficial Owner that is required or permitted under the terms of the Indenture to be given to owners of the Series 2026 Certificates; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial prepayment of the Series 2026 Certificates; or (v) any consent given or other action taken by DTC as owner of the Series 2026 Certificates.

The information above concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but is not guaranteed as to accuracy or completeness by and is not to be construed as a representation by the District, the Trustee or the Underwriter. The District, the Trustee and the Underwriter make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners will act in accordance with the procedures described above or in a timely manner.

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